National College of Ireland

A Study of the Causes and Effects of

Staff Turnover

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BA (Hons) in Human Resource
Management

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National College of Ireland

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By Orla Hogan

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(Hons) in Human Resource Management

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Declaration

I hereby certify that this material, which I now submit for assessment of the programme of study leading to the award of B.A (Hons.) in Human Resource Management is entirely my own work and has not been taken from the work of others save and to the extent that such work has been cited and acknowledged within the text of my work

Signed: *Ole Hogan*

Date: 18/7/08

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National College of Ireland

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Chapter 1 - Background & Objectives

1.0 Background

Staff Turnover has always been a cause for concern in any organisation. It has often been thought that the higher the staff turnover, the less desirable an organisation is to work for. While it is not necessarily always an organisation's goal to be the Best Company to work for, it is necessary to be an employer of choice in order to ensure that the goals and objectives of the company are met. Without a high performing staff base, it is impossible for any organisation to meet its set objectives.

In most recent years Ireland has been inundated with people from around Europe and the World looking for employment. With the boom in the economy there was no shortage of work for those in search of jobs.

The challenges that came from this boom were that the amount of jobs far outweighed the amount of candidates; therefore 'job hopping' was not unfamiliar. With this in mind it is essential to find and hold onto the right people to ensure an organisation's success and to ensure the staff turnover of the organisation remains competitively low.

From a retail perspective this is particularly true. If a retail outlet does not have the right amount or caliber of staff to cater to the customers needs, they will bring their business elsewhere.

With the current poor economic climate, it is imperative that retailers understand that the customer's needs and wants are beginning to change. The customer is beginning to watch what they spend and are looking for value for money and excellent service. In essence, the customer's expectations are getting higher.

In order for a retailer or any organisation to remain competitive in this environment, it needs to understand the customer's wants and needs and to excel in delivering these expectations. Customers will no longer tolerate poor service from any organisation.

While products will draw potential consumers into a store, it is the staff in that store that will be instrumental is converting those potentials into real customers. Therefore it is

imperative to ensure that stores are fully staffed to cater for the customers high expectations. If this does not occur, a customer can easily buy their products elsewhere.

1.1   Research Objectives

The first objective of this study is to discover the true costs of staff turnover on an organisation and to examine whether there are any advantages to having a level of staff turnover in an organisation.

Secondly, I am aiming to understand whether there are any definite areas that an organisation can look at in order to help improve the levels of staff turnover in an organisation. As this topic is so wide, I will be focusing on the core elements of an employee/employer relationship that all organisations (whatever the industry) should focus on to have any impact on reducing staff turnover.

The final objective of this study is to focus on my current employer O2 Retail and to examine the reasons that the employees choose to stay with the organisation and to highlight any areas that may trigger them to leave. From this study, I am hoping to make some practical recommendations to the Management Team in order to address the current high level of staff turnover.

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Chapter 2 - Literature Review

2.0   Staff Turnover – A Definition

In her book Indispensable Employees, Martha R.A. Fields, defines Staff Turnover as "The flow of people in and out of active employment" in an organisation.

CIPD recommends that staff turnover is measured in the following way:

Total number of leavers in a period X 100

Average total number employed over period

2.1   Costs & Opportunities

In his book "The Employee Retention Handbook", Stephen Taylor surmises that staff turnover can be seen as a cost or a great opportunity to an organisation.

Costs

Taylor acknowledges that staff turnover can have negative implications for an organisation when the cost of which are reflected in the profit and loss accounts.

According to CIPD 'Recruitment, Retention and Turnover, 2007' the cost of replacing an employee in an organisation is on average £7,750 (€9,700) to £11,000 (€13,900) for Senior Management. These costs can rise substantially if recruitment agencies are used to fill the existing vacancy. In his book, 'Accountability in HR Management', Jack Philips maintains that the cost of staff turnover is made up of many components:

- Replacement Costs (Recruitment & Selection)
- Training Costs to bring new employees up to the contribution level of the employees who left the organisation.
- Lost production (because new employees are not at full contribution).
- Lost time of Individual's involved with the turnover problem (ie. Supervisors, Managers and Specialists involved in the issues of recruiting and training).
- Administration costs tied to all of these processes.

These are financial costs that can be seen on the bottom line. However, according to Taylor there are other financial costs that cannot be as easily accounted for when an employee leaves an organisation.

Taylor's research has found that while a position is left vacant due to staff turnover, there is likely to be a loss of productivity in the last weeks of the resignee's period of work and during the first weeks or months after his/her replacement arrives. While this occurs there is no doubt the necessity to pay overtime to cover the resignee's position, therefore impacting the productivity costs.

While this cost for an individual may not be especially high, if this cost was cumulatively assessed across the organisation, the total cost of staff turnover can mount to hundreds of thousands or even millions each year.

According to Taylor, in addition to these direct costs to the balance sheet; there is also a loss of investment costs. This is when an individual is given intensive or extensive training at the organisation's expense and there is not a proper return on the investment.

While this loss of return on investment can be damaging if the individual leaves to work for a rival firm, the investment can be extremely detrimental to the organisation's competitive advantage.

According to Philips, "The greatest turnover probably occurs when a new employee leaves the organisation soon after reaching full productivity. This time period varies considerably among organisations and may range from one week to two years, depending on the individual organisation, specific job and initial training."

Often an area that is not referenced when staff turnover is high is the impact it can have on the staff that remains employed. The resignation of a colleague often means more work for those left behind. When there is high turnover, this can mean low morale and commitment to the company.

Another cost associated with Staff Turnover but sometimes neglected or impossible to quantify is Brand Value. Until recently Starbucks was a brand that was worth something, however according to a recent article by John Quelch in the Harvard Business Review Online it states that "Starbucks is a mass brand attempting to command a premium price for an experience that is no longer special". The founder of Starbucks has just announced that the organisation is closing 600 of its stores in the US because it has recognised that they no longer offer the exclusivity it used to.

While the closure of Starbucks stores does not reflect immediately to staff turnover, the same can be said for any organisation's brand value. If you fail to offer what was once expected by your customers they will look elsewhere for their products and services. With staff turnover, if you do not have staff to service the customers to their level of satisfaction, they will look elsewhere for their products and services. Likewise if an organisation is known to have a high level of staff turnover it can have a negative effect on the recruitment of new staff to fill the gaps in the recruitment cycle.

Opportunities

According to Deborah S. Hildebrand in her article on Handling Employee Turnover,

"employee turnover" has a negative connotation eliciting images of flood gates opening and great hordes of people rushing out. However, employee turnover is not just a one-way street. It has implications, both positive and negative, for both employers and employees.

According to Taylor, a good employee retention record is not necessarily needed in order to achieve commercial success. He reminds his readers that McDonalds is a successful global brand with a staff turnover rate of over 300 per cent and an average tenure of 4 months employment with the organisation.

In contrast to the cost theory, CIPD also believe that it is necessary to have turnover in an organisation to ensure there is always 'fresh blood' to create new ideas. New people bring with them their own experiences from previous organisations and alternative

perspectives to the new organisation. They often bring enthusiasm and are clearly motivated when they join.

Another factor to consider according to Taylor in the argument in favour of some staff turnover in an organisation is that some resignations are welcomed by managers. This is in the context of having the opportunity to replace poor performers with stronger performers allowing for an increase in productivity.

Hildebrand also suggests that when an employee leaves, it is the organisation's opportunity to look at the current structures in place and to assess whether the positions needs to be filled or are there ways to automate, outsource or eliminate these responsibilities. If the position does need to be replaced, it is an opportunity for the organisation to reconsider the skills, abilities and knowledge of the individual hired. There may be additional talents the new employee should have for the position in question.

CIPD also remind organisations that staff turnover can have cost cutting measures when the work of an organisation is seasonal. This is when it is necessary to have an increase in the levels of staff at a particular time of the year only and only for staff turnover these organisations would face high wages bills when they are not making a profit all year round.

While staff turnover can have a positive effect on an organisation, it can also have a positive effect on the staff that remain. According to Hildebrand, staff turnover can result in promotions for current staff or changes to infrastructure creating new opportunities for growth. Staff that remain in an organisation when turnover is high may have better career opportunities and are often rewarded because of their loyalty to the organisation.

While staff turnover does have some positive effects on an organisation, according to CIPD's Recruitment, Retention & Turnover Annual Report 2008, over 70% of the employers surveyed believed employees' departure from an organisation has a negative effect on business performance.

Therefore, for an employer to be successful in its industry, it is imperative to keep staff turnover low and to ascertain what it is the employee wants and needs in order to stay in that organisation.

2.2 The Causes - What do employees really want?

In order to consider the factors associated with retaining high performers in an organisation, it is important to discuss what motivates people. According to Maslow's hierarchy of needs, there are five levels associated with personal motivation. They are often depicted as a pyramid consisting of five levels:
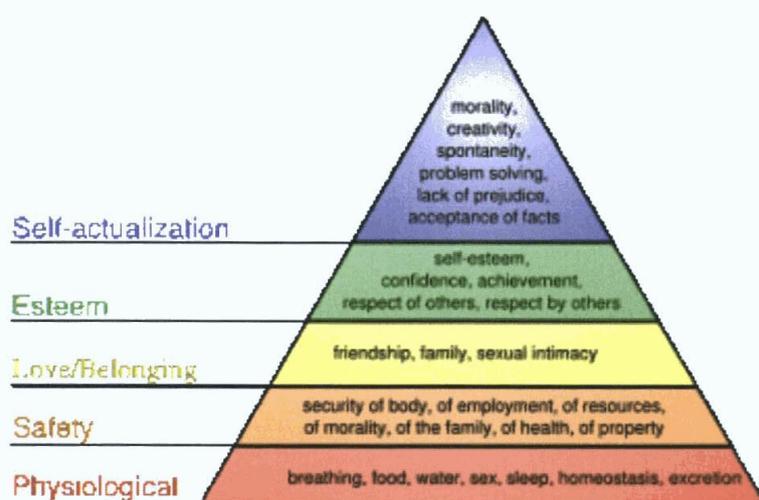
The higher needs in the hierarchy only come into focus when the lower needs in the pyramid are satisfied. Once an individual has moved upwards to the next level, needs in the lower level will no longer be prioritised. These motivational needs are common to all and can be used in an individual's personal and professional life.

If an organization wishes to maintain a low rate of staff turnover it must, at the very least, meet the basic needs of the employee. If an organization hopes to retain highly motivated staff it has to go even further, and offer opportunities to the employee so that they may achieve the higher levels in Maslow's pyramid.

In 1999 Pricewaterhouse Coopers introduced their research on the hierarchy of employee "wants," which indicate the following six principle factors:

• Learning Opportunity – The opportunities created by the organization to improve intellectual capital.

• Competitive Compensation – Reassurance that compensation is competitive with the external marketplace and there is a direct linkage of performance to incentives.

• Career Opportunity – Visibility of career progression within the organization and a recognition that the developmental activities provided promote internal career interests but are also transferable.

• Quality of Management Mentoring – The recognition that "someone" has accepted on a proactive basis the responsibility for development of skills and there is an organized approach for doing so.

• Firm Reputation – Reputation of the firm within its industry for innovation and progressive human capital practices.

• Employee Benefits – The appropriate array by employee life cycle of employee benefits (e.g., retirement post-age 45).

According to CIPD, there are "push" and "pull" factors that increase staff turnover. Push factors are areas within an organisation that an employee may be unhappy with and therefore look for alternative employment. Pull factors are when an employee leaves an organisation because of an external job opportunity that promises more to the individual than what they are receiving in their current environment.

In his research, Stephen Taylor defines that the following core elements must be taken into consideration to lower staff turnover and to ensure employee retention in an organisation. While these elements only take into account the basic necessities of an

employer relations, this research coincides with Pricewaterhouse Coopers hierarchy of employees "wants" in an organisation.

Recruitment & Selection

One of the fundamental principles of retaining high performers in an organisation is ensuring you select the correct candidate for the job on offer. The selection and recruitment of an individual to an organisation is the beginning of the journey an individual will make with their new employer. Therefore it is important for all concerned that the process is transparent and fair.

Research carried out in the US and reviewed by Wanous (1992) suggests the following:

- People entering new jobs tend to have inflated expectations.
- There is often a sense of disappointment in the 'job' in the first few months of employment.
- A major cause of inflated expectations is caused by impressions gained during the recruitment process.
- This is a major cause of early turnover.

However, making the recruitment process more 'realistic' brings other downfalls to the process. In order to recruit the right candidates for the right job, a balance must be struck between giving the candidate a good experience and been realistic about the role they are applying for.

Training, Development & Career Management

According to Taylor, this is a topic that is often overlooked when discussing employee retention. In his research of retention issues across a spectrum of groups (New Graduates, Call Centre Employees, Police Officers, Engineers, Accountants & Solicitors & Retail Workers), inadequate employee development opportunities is the one factor common to all groups in identifying reasons for leaving an organisation.

In her book "Indispensable Employees – How to hire them, how to keep them", Martha R.A.Fields states that all indispensable employees seek growth and advancement opportunities, whether they are looking to climb the corporate ladder or just stay put on one of its rungs.

In Jan 1998 Inc. magazine reported that the RHS Helpdesk in New York cut its turnover from 300 percent to 25 percent by improving its employee orientation program, establishing a career ladder, and communicating at least weekly with its field staff.

In an article in <u>Personnel Today</u> (May 2008) Stephen Jeffers, Head of HR for Online retailer Furniture@Work claims to have cut its employee attrition rate by almost 90% in just 12 months thanks to a training and development scheme.

Compensation & Benefits

If one were to work on the fundamentals of Maslow's Hierarchy of Needs, compensation & benefits is one of the core factors that an organisation must get right in order to satisfy the lower level of employees needs. It is true that in order to survive anywhere, it is necessary to be able to afford the basic necessities in life such as a food, warmth and shelter.

Taylor refers to the fact that often the highest staff turnover levels are in organisations where there is low pay. Employees who feel they are underpaid will often feel they are undervalued. However, according to Taylor it is not necessarily the highly paid staff who stay in an organisation.

According to an article by Rita Anne Keyes of Mercer on "Getting the most from a flexible benefits programme", she states that a general compensation programme is not always the most effective method of meeting the needs of all employees. She recommends that organisations give flexibility and choice to staff on their total reward package. It is the expectation of staff that they will earn enough to meet their basic needs, however it is the extra benefits that can make a valuable contribution to an

employee's compensation package and ensure that they do not look elsewhere for an alternative employer to provide these.

According to Keyes, a more flexible benefits package can offer advantages to a fixed benefits package. In today's society with individuals needs changing constantly, it is the flexibility that employees strive for as their personal situations change.

In 1980, a permanent, pensionable job was what an individual strived for. However, since the needs of individuals have changed, so too have their requirements. A number of organisations will offer their employees a flexible benefits programme that will allow them switch and change on an annual basis just as their needs change. According to Keyes, the list of benefits is not exhaustive but can take the frame of the following:

retirement plan	healthcare benefits	holiday
share purchase	life assurance	sabbatical
plans	disability, critical illness and personal	car/car parking
savings plans	accident insurance	childcare
	travel insurance	facilities
	spouse's and family insurance	travel passes

Management

According to Rick W. Tate & Dr. Julie White and their book title:

"People leave managers …… not Organisations!"

The importance of the management of an employee in an organisation has often been misrepresented in the fight against staff turnover. It is often the managers in an organisation that feel that staff turnover is a HR problem. Taylor however recognises that the relationship between a manager and the employee is one of the most important that should be built in an organisation. When both parties are happy with this relationship, it allows for a healthier working environment and a more productive working space. When

relationships are very good, it allows the manager the opportunity to coach and mentor an individual to achieve their specific goals and career directions.

In contrast, a bad working relationship between a manager and an individual can lead to a destructive working environment for all involved often with staff turnover the result.

"If managers fail to create job satisfaction within their teams, people feel unmotivated and negative," said Michael Leimbach, vice-president, research and design, Wilson Learning Worldwide.

"Managers have the power to create a team that is totally engaged or they can stifle work fulfilment and drive people to leave their jobs." www.HumanResourcesmagazine.com.au

In his book, the Employee Retention Handbook, Taylor suggests that managers should take into account the "Six Golden Rules of effective Supervision". They are:

1. Give praise where praise is due
2. Avoid the perception of favouritism
3. Talk to every team member regularly
4. Act when you suspect there are problems
5. Give people as much autonomy as you possibly can
6. Involve people in decision making

The six golden rules are a simple concept that can be used by any Manager in any industry to help motivate and retain employees in an organisation.

2.3 The Company

In order to carry out the research on staff turnover in O2 Retail, it is important to understand the organizations background.

The Parent Company

The Compañia Telefónica Nacional de España was incorporated on 19 April 1924 as a public limited company. Its share capital totalled one million pesetas represented by 2,000 ordinary shares and was held by the International Telephone and Telegraph Corporation (ITT) of New York.

Today, Telefónica is one of the leading integrated telecommunications operators worldwide in the provision of communications, information and entertainment solutions, with a presence in Europe and Latin America. In September 2007 the number of Telefónica customers exceeded 218 million.

The Irish Operation

O2 Ireland is a leading provider of mobile services, offering communications solutions to 1.6 million customers in Ireland. We have offices in Dublin, Cork and Galway as well as a Customer Care Centre in Limerick and a total workforce of over 1,700 employees. In 2006, O2 Ireland was named the best company to work for in Ireland and one of the 10 best companies to work for in Europe.

Until recently O2 Ireland was a wholly owned subsidiary of O2 plc. On March 7th 2006, O2 plc delisted from the London Stock Exchange, on completion of a corporate take-over of O2 by Telefónica S.A. O2 is now a wholly-owned subsidiary of Telefónica S.A., comprising mobile network operators in the UK and Ireland, along with integrated fixed/mobile businesses in Germany, the Czech Republic (Telefónica O2 Czech Republic) and the Isle of Man (Manx Telecom). It also owns 50% of the Tesco Mobile and Tchibo Mobilfunk joint venture businesses in the UK and Germany respectively.

As part of an enlarged company, O2 will build on its track record of operational delivery, the strength of its brand, and the momentum it has established in all its markets. O2 and Telefónica bring together two strong, successful, growth-orientated companies, creating a strong pan-European/global telecoms player. The combined entity is second largest global wireless operator outside of China, in terms of active subscribers with more than

116 million mobile customers. In addition, the combined group is also the world's second most valuable telecom operator with an enterprise value of €120 billion.

The Retail Sector

O2 Retail operates 52 stores around the Republic of Ireland and is responsible for 50% of the revenue that is brought in by O2 Ireland. Its core activities are to supply the O2 network, mobile phones, broadband and accessories to its consumer base. 93% of the roles in O2 Retail are customer facing roles with a back office support team of 18. The organisation employs 300 staff across the retail sector, 10% of which are permanent part-time staff, all others are employed on a full-time permanent contract. The average age group of staff in O2 Retail falls into the 17-24 age category with 43% of staff female and 57% male.

One of O2 Retail's strength's as an organisation is that it is part of one of the largest telecommunication companies in the world and its employees have the security of such a large global company behind them. O2 as a company has also come a long way from it's previous history and is now an organisation at the forefront of new technology into the Irish Market and our staff are fully trained and capable of introducing such products as the iPhone to our customer base. As there are so many new technologies coming into the marketplace, O2 Retail is an exciting company to work for.

While O2 Retail is an exciting place to work, it can also be a pressurised environment. Retail by its very nature is highly competitive and there is huge competition between O2 and the other networks to gain market share. In order for O2 Retail to continue to be successful, it has large targets to meet on a monthly basis which can put pressure on employees if they are not keen sales people. By its very nature, the staff of O2 Retail can also become a sounding board for disgruntled customers and the high expectations of the consumer base.

A large opportunity for O2 Retail to recruit and retain staff is the brand value it has in the market place. Voted "Best company to work for" in 2006, it still attracts a large proportion of candidates who would like to be part of such an organisation. Another

opportunity that should be tapped into and used to recruit and retain staff is O2's sponsorship programmes. O2 are the current sponsors of the Irish Rugby team along with the Cork Hurling and Football teams and a recent sponsorship deal with The Point Depot, to name the new music venue as "The O2" will bring the company name to the forefront of potential candidates and should help to retain its current employees.

A threat that cannot be underestimated is the current economic climate in Ireland. According to the Finfacts Ireland, the Celtic Tiger was declared dead on 24th June 2008. In a retail environment, this will have huge consequences for O2 to hit its projected targets as consumers have begun to slow down their spending and will now look for the cheapest and most economical use of their resources. In this market, O2 will have to implement radical cost effective products and services in order to hold onto their current market share. For the staff members, the footfall in a store will get more difficult to convert to sales and therefore earnings through commission will fall.

2.4   Staff Turnover in O2 Retail

At the end of December 2007, O2 Retail's annual staff turnover was 55%. The average length of service of staff leaving was 18 months. The core group of employees leaving the organisation were and still are Sales Assistants. The business impact of such high staff turnover in O2 Retail has led stores to be understaffed on a regular basis and those stores failing to meet their sales targets. This also means that customers are not receiving the services they expect and as a company it is failing to achieve its vision which is:

"Everyday we will ensure people feel good – enabling them to connect in new and exciting ways and to share amazing experiences."

The Sales Assistant Role

The Sales Assistant Role reports directly to the Store Manager. The core responsibilities of the Sales Assistant are as follows:

- Deliver consistently on sales targets as well as striving to beat them.
- Listen to customers needs and consistently meet or exceed their expectations with O2 offerings.
- Influence customers to ensure the O2 offering is seen as competitive in the marketplace.
- Complete all administrative processes related to sales/connections to ensure successful connections for the business and the customer.
- Champion superior customer experience turning customers into loyal fans through superior customer service.
- Deliver the "customer promise" in their day to day actions across all consumer types.
- Use ideas and solutions to meet customer needs ensuring that their expressed and underlying needs are satisfied
- Take ownership of the customer's issues or needs to ensure that all aspects are resolved and/or seen through to completion.
- Work as part of a team on both a local and an organisational level to ensure that customers become loyal fans of O2.

According to the CIPD's annual survey on Recruitment, retention and staff turnover, the average staff turnover for Retail & Wholesale is 30.9%. As our current staff turnover is at a high rate at 55%, it is the organisation's aim to get this lowered to 30%. As seen in the costs and opportunities section of this study, a healthy balance between staff turnover and staff retention is necessary to keep costs low and keep "fresh blood in the organisation. Staff Turnover Target 2008 – 30%

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Chapter 3 – Research Methodology

3.0   Aim of research

The primary aim of this research was to identify and understand the reasons why employees stay in the O2 Retail and to continue to identify ways to improve in these areas.

The secondary aim of the research was to examine and understand what areas, if any, may be cause/reason for some people to leave in the future.

3.1   Qualitative Research V Quantitative Research

In order to decide which method of research to use to undertake the study in question, it is important to realise the different research methodologies and to determine which is more feasible and will gain more insight into the research topic in question.

For this, I examined both the qualitative and quantitative research methods.

Qualitative Research

Qualitative Research concentrates on investigating subject data, in particular, the perceptions of the people involved. The aim of the research is to highlight feelings, perceptions and impressions to gain a greater insight and knowledge of the subject matter.

The Qualitative method uses smaller samples of the research area and gains a more in-depth knowledge of the subject. This method is expressed in words.

Quantitative Research

The Quantitative Research approach concentrates on measurement. It involves collecting and analysing data that can be organised into statistics. It does not take account of people's feelings or opinions.

The Quantitative method uses large samples of the data subject and from that generalisations can be made about the subject. This method is expressed in numerical terms.

Choice of research

As the research inherently involved the feelings, attitudes and beliefs of the current staff in O2 Retail, I felt that the qualitative method of research would produce a more definite line of results and areas to consider when discussing the satisfaction levels of staff and would allow me to produce a more in-depth knowledge of the subject matter. However, to produce a list of easy to read statistical analysis, I also used the quantitative method of research.

While I would have gained a more thorough understanding of the staff's satisfaction levels through face to face interviews and the use of probing questions, it was not possible to carry out such meetings due to the geographical nature of the organisation.

Therefore I decided to produce a survey to be completed by individuals in all areas of the country. The advantages of this method were that it was quick and efficient and eliminated the cost and time that travel would take to partake in face to face interviews.

3.2   The procedure

The aim of the survey was to gather information from a representative sample of the employee of the organisation. As there is restricted access to the PCs in the stores (they are used for the transactions of sales), I felt it was necessary to post the questionnaires out to the individuals.

A letter explaining what the aims of the study were and as to why it was being carried out was sent out to all participants along with the survey. The participants were informed that they were randomly chosen as a proportion of the O2 Retail workforce. It was also made clear in the letter that the study was completely confidential and that anonymity was guaranteed. They were also informed that the findings would be used to create a

background for further research in any of the highlighted areas of concern. The letter and survey was followed up by a phone call reiterating the reasons for the survey and who to contact if they had any queries. During these conversations, I requested that staff discuss any outstanding issues within their own working environment and to capture the data on the questionnaires.

3.3 The participants

As the level of staff turnover is particularly high at the Sales Assistants level, I choose to carry out the research with this group of employees across the 52 stores. In November 2007, there was 270 staff employed by O2 Retail. From this, I chose 10% of the sales assistants to conduct the research on. After requesting the information from 30 employees, 27 employees agreed to take part in this study. I received 23 responses to the questionnaire.

This research was conducted in November 2007 and the chosen candidates had either achieved a "Highly Effective" or "Excellent" grade in their annual performance review in September 2007. To ensure the participants all had a good knowledge of O2 Retail and its background, I chose staff who had had 1 year + service with the organisation.

3.4 Ethical Considerations

When conducting any type of research it is imperative to be aware of the ethics to adhere to. Some areas of consideration for this research were as follows:

- I looked for permission from the participants I was studying as it was directly related to them and their thoughts, opinions, attitudes and recommendations.
- The questions in the survey related to all employees in all stores, therefore were not harmful to any one individual/store or area of the country.
- The questions in the survey were related to all areas of HR policy in O2 Retail and not only areas that I felt should be covered.

- As this was a survey based research, anonymity is usual. For my research I informed the participants that the information they gave me would be confidential and that the conclusions of the research would be distributed as a whole rather than from an individual basis. However, it was necessary for me to request names of participants on the survey to establish who had completed and returned the surveys.
- As I received the surveys completed, I reported the information as accurately as possible. It would be unfair of me to assume any of the answers or to embellish any comments.

3.5 The survey

The survey was designed to cover the core areas of the employment relationship between O2 Retail and its employees. The main components that were assessed were:

Compensation & Benefits

Work/Life Balance

The Brand

Work Environment

Recognition

Role Challenge

As an introduction to each section of the survey, O2 Retail's core procedures were included to highlight the area under question.

The survey was self administered and consisted of multi-choice questions (Likert Scale) and open ended questions.

Section A – Compensation & Benefits

This section contains statements & questions around the current compensation & benefits package O2 Retail acknowledge. It highlighted the current practices of O2 Retail in relation to this subject such as base salary, 5% bonus paid on performance, commission, pension 5% employer contribution after 2 years, service, health care, life cover, mobile phone benefit, 22 days & 2 company day leave, long service awards, further educational sponsorship.

The first part of Section A of the questionnaire consists of a series of 2 statements exploring participant's perceptions of and attitudes to Compensation & Benefits in O2 Retail.

Scoring

Using a 5 point Likert scale, participants were asked to assess the first statement and to rate it in terms of their level of satisfaction or dissatisfaction with each statement (eg. Very Satisfied, Somewhat Satisfied, Neither Satisfied/dissatisfied, Somewhat Satisfied and Very Satisfied).

The second part of Section A asked open ended questions looking for attitudes, feelings, ideas and solutions to current Compensation & Benefits structure.

Section B – Work Life Balance

This section contains questions around the current policies in place to balance the employees working life with their family life, caring responsibilities and personal life. It highlights the current practices in place such as sports & social club, study leave & access to part-time work.

The first part of Section B consists of 3 statements exploring the participants attitudes to the work/life balance in O2 Retail.

Scoring

Using a 5 point Likert scale, participants were asked to assess the first statement and to rate it in its level of importance (eg. Not at all Important, Not very Important, Neutral, Somewhat Important, Very Important).

Using a similar scale, participants were asked to assess statements 2 & 3 and to rate it in terms of their level of satisfaction or dissatisfaction with each statement (eg. Very Satisfied, Somewhat Satisfied, Neither Satisfied/dissatisfied, Somewhat Satisfied and Very Satisfied).

The second part of Section B asked open ended questions looking for attitudes, feelings, ideas and solutions to current Work/Life practices in O2 Retail.

Section C - O2 Brand

The first part of section C consisted of just one statement regarding the O2 Brand and its products & services.

Scoring

Participants were asked to assess the statement and to rate it in terms of their level of satisfaction or dissatisfaction with each statement (eg. Very Satisfied, Somewhat Satisfied, Neither Satisfied/dissatisfied, Somewhat Satisfied and Very Satisfied).

The second part of section C, asked participants to give their views on the reputation of the company as both an employer and customer.

Section D - Work Environment & Team Environment

This section contains statements & questions about the current work & team environment in O2 Retail. It highlighted the current areas that are in practice such as employee feedback opportunities, Monthly Development Meetings, the weekly communication to all staff and dignity at work policy.

The first part of Section D of the questionnaire consists of a series of 4 statements exploring participant's perceptions of and attitudes to Work & Team Environment in O2 Retail.

Scoring

Using a 5 point Likert scale, participants were asked to assess the first 2 statements and to rate it in terms of importance to them (eg. Not at all Important, Not Very Important, Neutral, Somewhat Important and Very Important). For the third & fourth statements, participants were asked to rate their level of satisfaction or dissatisfaction with each statement (eg. Very Satisfied, Somewhat Satisfied, Neither Satisfied/dissatisfied, Somewhat Satisfied and Very Satisfied).

The second part of Section D asked open ended questions looking for attitudes, feelings, ideas and solutions to current Work & Team Environment.

Section E - Recognition

This section contains statements & questions about the current recognition programme in O2 Retail. It highlights the formal recognition programme that includes on the spot awards, extra mile awards, ovation awards, store of the month and superstar of the month awards.

The first part of Section E of the survey consists of a series of 2 statements exploring participant's perceptions of and attitudes to the current recognition programme.

Scoring

Using a 5 point Likert scale, participants were asked to assess the first statement and to rate it in terms of importance to them. For the second statement, participants were asked to rate their level of satisfaction or dissatisfaction with each statement.

The second part of Section E, participants were asked open ended questions on their attitudes, feelings, opinions and recommendations to the current recognition programme in O2 Retail.

Section F - Role Challenge

This section contains statements and questions regarding the staff member feels challenged in their current role.

The first part of Section F consists of 2 statements exploring the participant's perceptions, feelings, opinions and recommendations to their current role and whether it challenges them enough.

Scoring

Participants were asked to assess the first statement and to rate it in terms of importance to them. For the second statement, participants were asked to rate their level of satisfaction or dissatisfaction with each statement.

The second part of Section F, participants were asked open ended questions on their attitudes, feelings, opinions and recommendations about the challenges in their current role.

The final section of the survey asks a series of open & closed questions in order to gather any other information that may have been missed from the survey.

The first questions asked for the participant to highlight the top 5 reasons why he/she why he/she chose to stay employed in O2.

The second question asked for the participant to highlight any reasons that may trigger the participants to think about leaving O2.

The third question is a closed question and asked whether they see themselves in employment with O2 in 3 years time. This is a Yes/No answer.

The fourth questions asked whether the participant whether he/she sees themselves in careers with O2 and if so why/why not?

The fifth and final question asked the participant to elaborate on anything they felt was not addressed in the survey that they would like to see addressed.

After receiving 23 surveys back, the data was ready for analysis.

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Chapter 4 – Data Gathering &Analysis

Results/Outcome

Compensation and Benefits

Including base salary, commission, 5% bonus based on performance, pension contributions, health care, life cover, mobile phone benefit, 22 days annual leave & 2 company days, long service awards and further education sponsorship.

78% were somewhat satisfied or very satisfied.

Compensation & Benefits - Levels of Importance
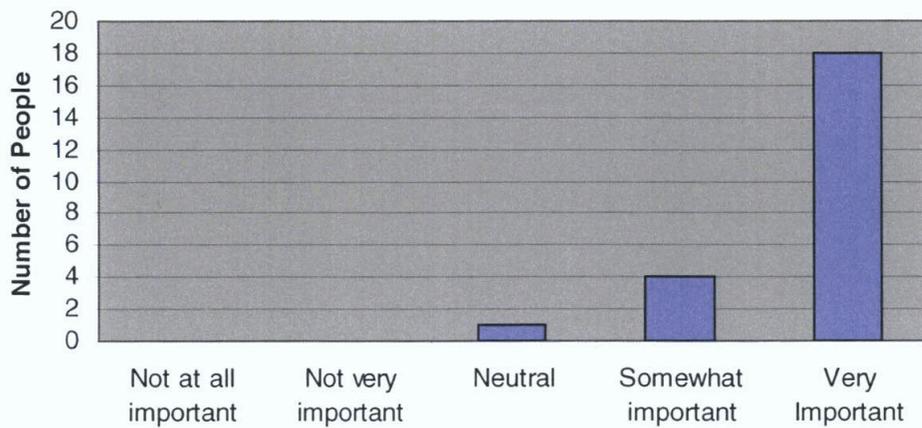
Compensation & Benefits - Levels of Satisfaction
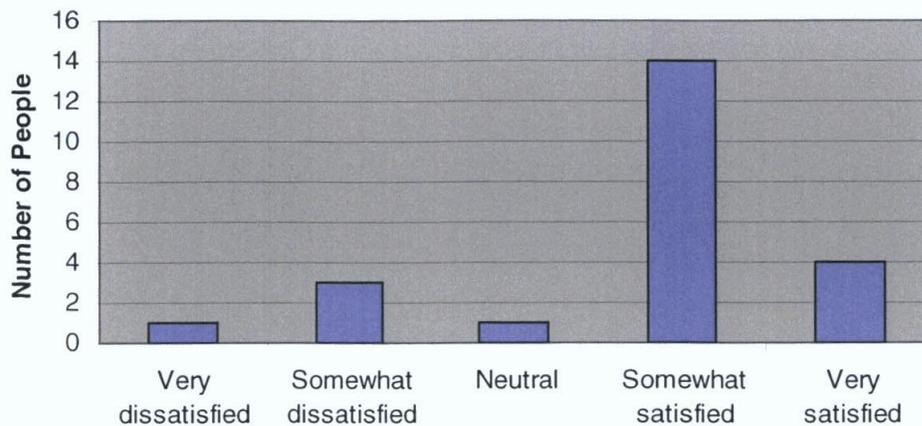
Comments Received:

- Would like to see commission structure changed, 60% store, 40% individual.
- More communication re: VHI, Pension
- Would like to see staff get more than 10% discount on products.
- Review policy re: holiday booking and carrying over holidays
- Would like to get vouchers instead of cash bonus.
- Salary should reflect those working unsociable hours – late nights, Sundays.
- Would like to see more detailed reports on our commission breakdown in our payslips.
- Stock levels should be there/increased so that we can meet our targets and get the commission we deserve.

When asked would Comp & Bens be a factor to leave/stay in the future – 78% said Yes, 13% said No, 9% undecided

Work/Life Balance

Including: working hours, sports & social club, study leave, access to part-time working,

57% somewhat satisfied or very satisfied with the work life balance policies at O2.

Employees were asked to rate their level of satisfaction with their current working hours – 48% stated they were somewhat satisfied or very satisfied.

Work/Life Balance - Importance Levels
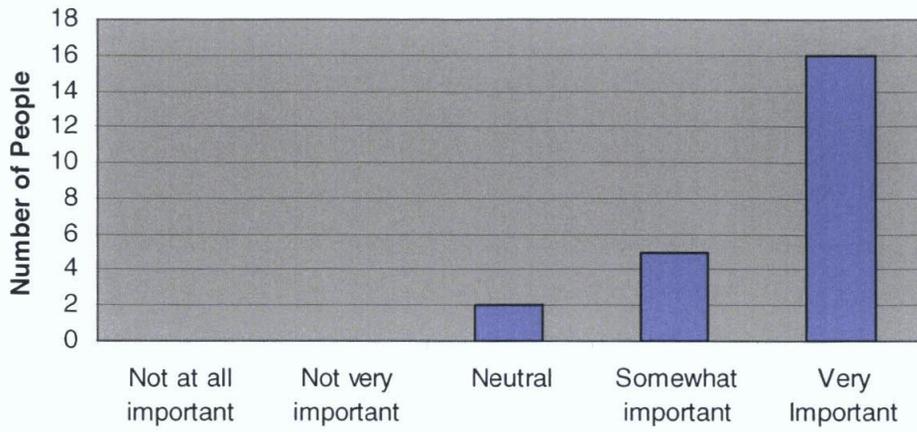
Work/Life Balance - Satisfaction Levels
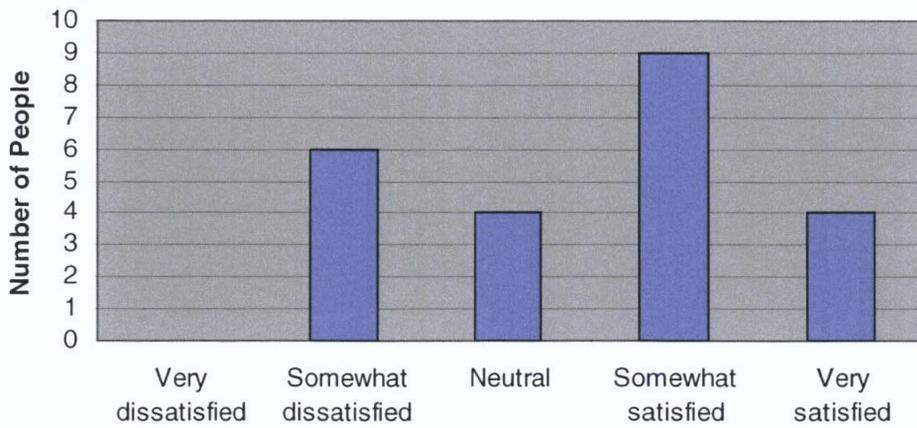
Hours of Work - Satisfaction Levels
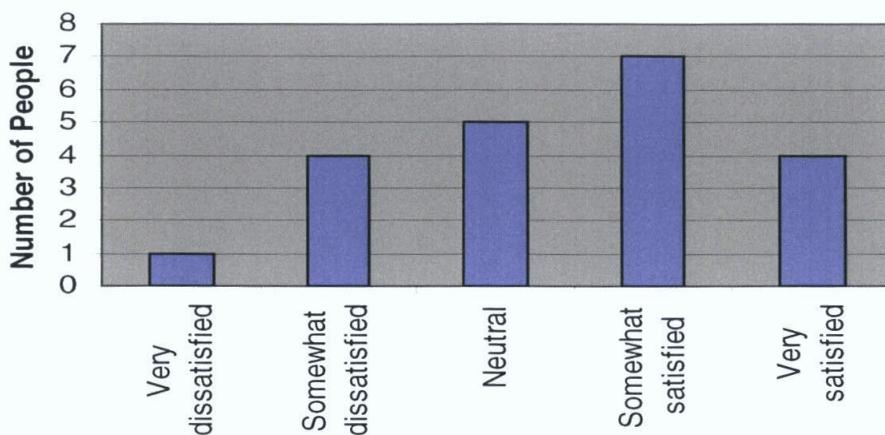
Comments Received:

- Would like to see a fair & transparent system for taking weekends off.
- Think we should be paid for any time we have to stay in store outside opening hours.
- Improve access to part-time work
- Some stores open at 9am & some 9.30am, those open at 9am should get paid overtime for the extra 2.5 hours per week.
- We should have at least one weekend off every month or two.
- Would like to have the rota 2 weeks in advance.
- Would love to see a flexi-time package.
- I would leave if the store opened late nights & Sundays.

When asked would work/life balance be a factor to leave/stay in the future – 52% said No, 48% said Yes

O2 BRAND

(Including satisfaction level with products and services O2 provide to our customers).

87% of those surveyed stated that they were either somewhat satisfied or very satisfied with the company's brand.

O2 Brand - Satisfaction Levels

Comments Received:

- O2 Brand is excellent
- O2 has a strong reputation but should look at attracting younger customer
- Feel that the brand is "tired" & "jaded", we need to become "cool" again
- Feel we need to supply handsets to the "fashionable" customer
- O2 have good reputation but sometimes hurt by stock issues
- SOS is a very good service that only O2 offers
- O2 is the best network in Ireland offer great customer service
- I think O2 feel like they have nothing more to deliver since they won the "best companies to work for".
- O2 has excellent reputation regarding it's employees & customers

Work Environment & Team Environment

(Including: Opportunity to have fun at work, employee feedback, 1-2-1s, MDMs, weekly wrap up, dignity at work policy, coaching/support from team manager, leadership and communication)

22 out of 23 rated the work environment/team environment as being very important.

78% stated they were somewhat satisfied or very satisfied with the level of support within their team.

65% stated they were somewhat satisfied or very satisfied with the leadership & communication form the O2 management team.

Work Environment - Importance Levels

Number of People

	Not at all important	Not very important	Neutral	Somewhat important	Very Important
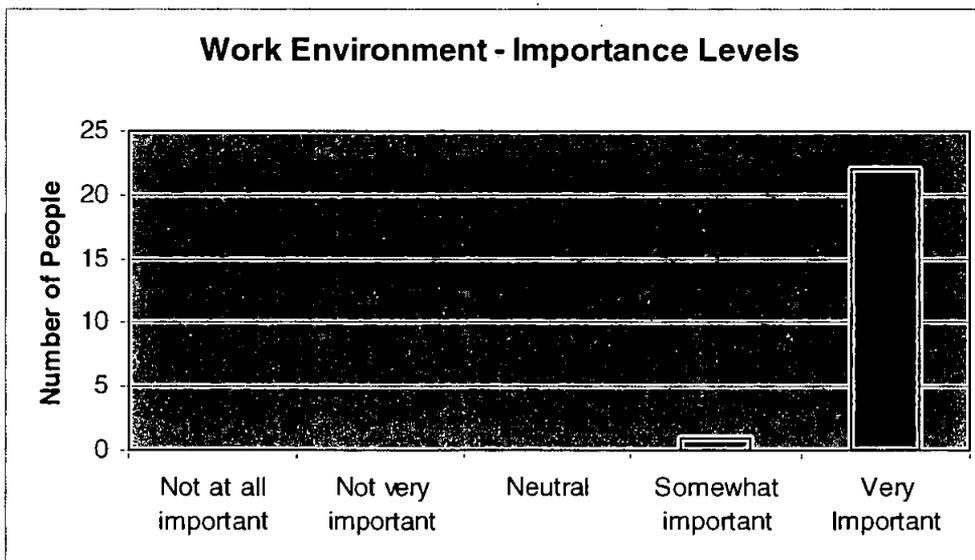
Team Environment - Levels of Importance
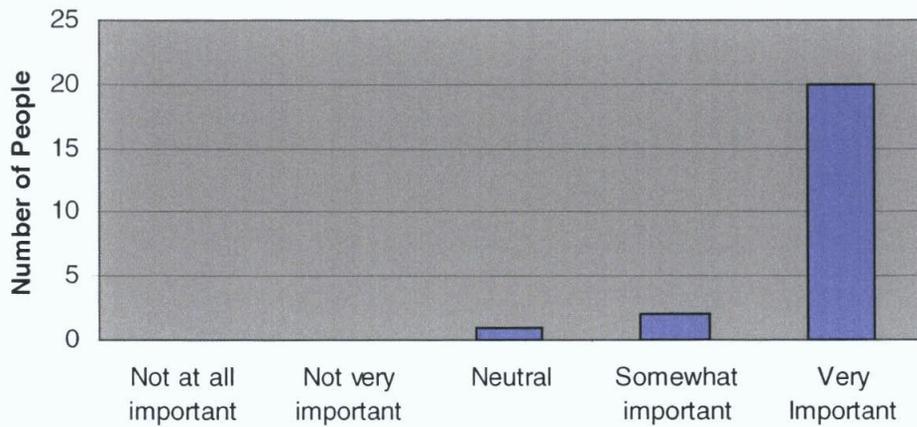
Comments Received:

- Area Managers should be more available for Q&A sessions.
- Would like to see more "Ask Tony" sessions.
- Head office staff should be more visible, maybe even work in a store for a day.
- Sufficient cover should be given to stores for annual leave & sick leave.
- Would like to see an intranet and more communication with Customer Care.
- Feel there should be more communication between managers & staff
- I think managers interviewing for new staff will have a hugely positive impact on the work environment.
- Management should keep an eye on those not pulling their weight in the stores.
- Would like to see more MDM's, more meetings with area manager and more training.
- I would like to see more direct answers given to some of the questions in the weekly wrap up.
- Would like to be involved in changes from the start, we are usually left out of the "loop".

When asked would work environment and team environment be a factor to leave/stay in the future – 39% said No, 52% said Yes, 9% indecisive.

Recognition

(Including: Formal and informal, on the spot awards, extra mile, ovation, superstar, store of the month, employee of month).

82% rated Recognition as being either somewhat important or very important. 52% stated they were somewhat satisfied or very satisfied with the Recognition programme at O2.

Recognition - Levels of Importance
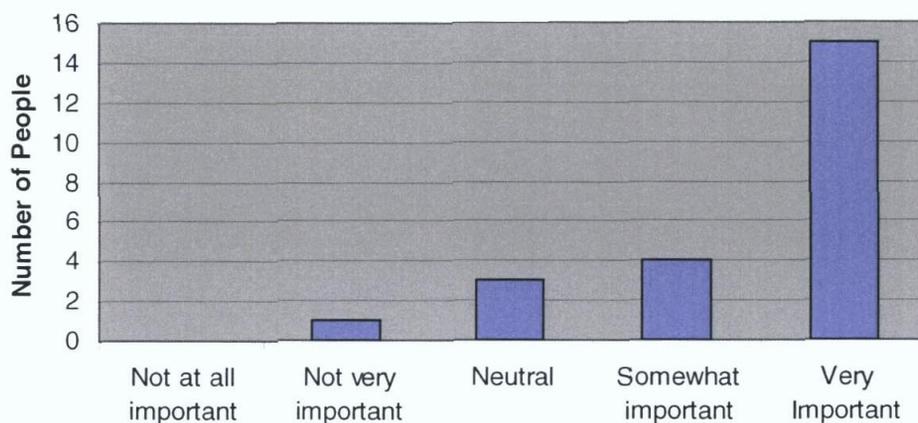
Recognition - Satisfaction Levels
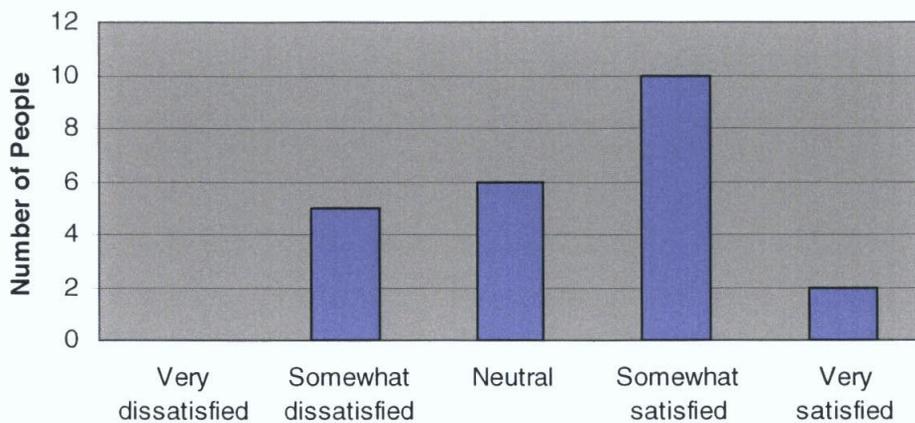
Number of People

	Very dissatisfied	Somewhat dissatisfied	Neutral	Somewhat satisfied	Very satisfied
Value	0	5	6	10	2

Comments Received:

- Best performers should be rewarded constantly.
- Official communication should be sent out regarding the recognition scheme.
- Managers should make more effort to enter their store into the Spirit of O2 Awards.
- Feel O2 have proper policy in place but it is not been used enough.
- I believe the store manager currently receives the bulk of the recognition.
- Would like to see more recognition in the form of gift vouchers
- People should be recognised when they step into Manager or Assistant Manager on a temporary basis

When asked would recognition be a factor to leave/stay in the future – 56% said No, 35% said Yes, 9% indecisive

Role Challenge

(Including job satisfaction)

100% rated role challenge as being either somewhat important or very important. 61% stated they were somewhat satisfied or very satisfied with their role challenge

Role Challenge - Importance
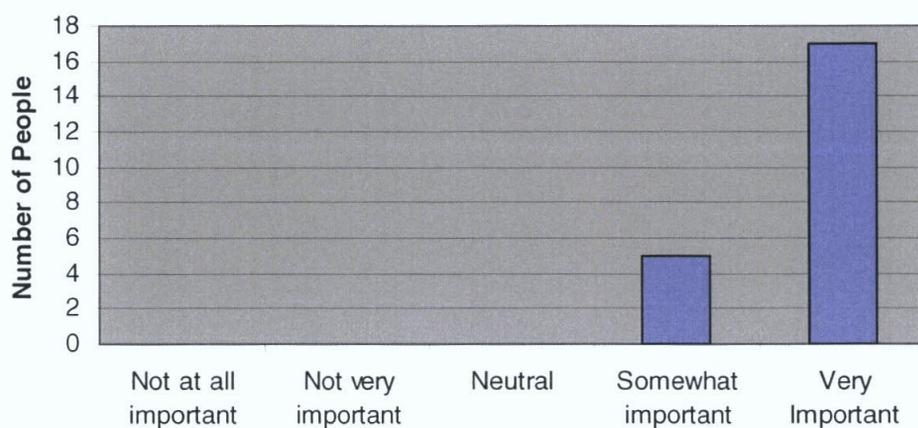
Role Challenge - Satisfaction Levels
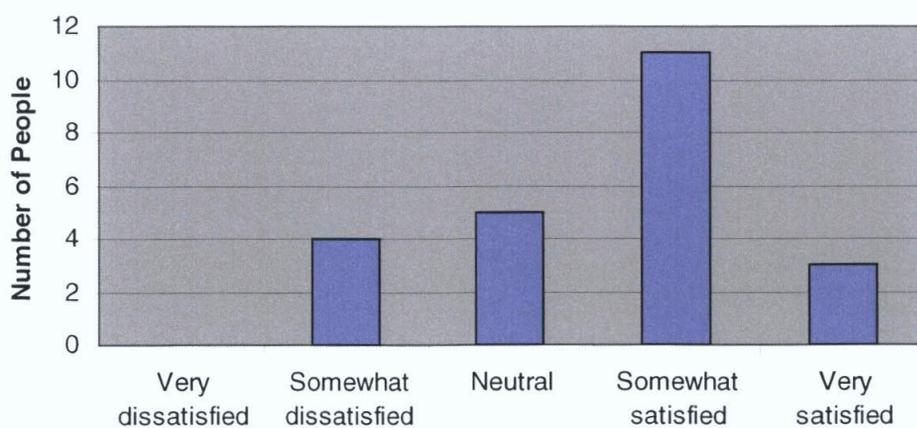
Comments Received:

- Would like to see quicker role out of training so that there are not huge gaps between some staff
- Managers should discuss all career opportunities with all members of staff
- Would like to see more responsibility given to sales staff
- List of studies that O2 will support in further education
- Feel there is less chance of promotion in the smaller stores
- Would like to see an "Annual Career Day" detailing stories of people who have worked their way up in O2.
- Would like to see better relationships with phone manufacturers.
- Would like to work in a different store every so often to give me more variety.

When asked would role challenge be a factor to leave/stay in the future – 57% said Yes, 30% said No, 13% were indecisive

Reasons cited why employees stay with O2 Retail	Triggers that may encourage employees to leave O2 Retail
• Team atmosphere	• Salary
• Benefits	• Lack of promotions
• O2 Brand	• Increased working hours
• Internal opportunities	• Poor atmosphere in store
• Challenging & rewarding work	• Lack of support
• Generous salary	• Poor senior management
• Training & Development	• Unsociable work hours
• Progression	• Lack of recognition
• Good communication within company	• Poor communication
• Work/life balance & flexibility	• Detrimental change in salary/commission structure
• Employee incentives	• Transfer to another store
• Changing environment	• Stock levels
• Good Employer	• Policies – non comps, staff are fined
• Location of store	• Favouritism in store
• Commission	• Unrealistic targets
• Interesting products	• Commission
• Staff Tariff	
• Working Conditions	

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Chapter 5 – Recommendations & Conclusion

5.0   Recommendations

Once the research findings were analysed, it was clear that there were many areas that O2 Retail excel at and there were many more areas for development and further research. The most interesting and thought provoking element of the survey was the actual reasons why people choose to stay with O2 Retail and the reasons that may encourage them to leave. The reasons that were stated had to be considered by the employees unlike the rest of the survey where they rated core elements of the employer/employee relationship.

In order to prioritise the recommendations from this study, I put together the top 5 themes stated why people choose to stay and what would trigger them to leave O2 Retail.

Top 5 Reasons employees stay	Top 5 Triggers to encourage employees to leave
Team Atmosphere	Salary
Benefits	Lack of Promotions
O2 Brand	Increased Working Hours
Internal Opportunities	Poor atmosphere in Store
Challenging & Rewarding Work	Lack of Support

It is obvious from the chart above, that there is a direct correlation between why people choose to stay and what would encourage them to leave the organisation. The three themes that are highlighted above are:

1. Benefits/Salary

2. Internal Opportunities/Lack of Promotions

3. Team Atmosphere/Poor Atmosphere in Store

Compensation & Benefits

As discussed in the literature review, compensation and benefits is one of the main driving forces that encourage employees to a particular organisation or not. This is one of the basic requirements that is expected in all industries and often has an effect in staff turnover statistics.

In O2 Retail, satisfaction is high for benefits but salary is the main driving force employees would choose to leave.

Recommendations –

From the comments received in this section, it is obvious that many of the employees are money driven and may not be interested in the benefits such as pension, healthcare and further education sponsorship. From what we know about the age group of the workforce of O2 Retail (17-24), it is clear that this type of benefit does not interest our employees.

I would recommend that we review the current benefits package and assess whether it is possible to offer the amount it costs for these benefits in monetary terms or in benefits that would be more suited to the age group of the workforce such as travel vouchers or other discounted products.

Another clear recommendation that has since been implemented, is to review the commission structure that was in place. When this survey was completed, sales assistants worked to a team target whereby they split the commission equally by the amount of hours they worked in a store during a month. This allowed some individuals to earn commission off the back of other more sales driven staff members. Since the findings of this survey have been investigated, we have recently introduced an individual commission target along with a team target. The individual target is not capped, therefore our high performers can earn more on a monthly basis. I would recommend that this is reviewed to ensure that those individuals are not leaving others to carry out their administration duties, as this will only increase staff turnover.

Internal Opportunities/Lack of Promotions

As discussed in the Literature Review, training, development and career progression is a motivating tool in an organisation.

When questioned, 74% of employees saw themselves working in O2 in 3 years time and 70% of employees saw themselves having a career with O2. This was a positive response, but it still equated to 30% of employees feeling there was no career progression for them in the organisation. As this was the second stated reason why people choose to stay or would influence them leaving the organisation; it is necessary to ensure that O2 Retail put an action plan together to enhance the current career channels in the organisation.

Recommendations -

As there are geographical issues surrounding the organisation (52 stores around the country), this is not as simple as it would be in other organisations. An area that should be focused on is the training and development of staff in their particular roles so that they have the skills and abilities to do their jobs properly. Another area that I would recommend would be to ensure that the Store Managers recognise the potential in their teams and actively coach and mentor these individuals for any future roles in the organisation. This would initially involve training the Store Managers to recognise and coach the individuals so that they do not move their skills and abilities outside of the organisation.

Work environment & team environment

There was a general level of satisfaction with Work & Team environment, however it is clear that this is an area that people value now and would be quick to leave if it changed in any manner.

Recommendations -

In order to ensure that we have the right working environment for our staff I would recommend that we continue to value our high performers by ensuring our recognition policies are in place and known to all. It is clear that our staff likes to be recognised for a good job and this can only enhance a working environment. As the individual commission structure will more than likely move teams away from working together, it is important to still recognise the value of the team. I would recommend that there should be incentives for stores to continue working as a team and working alongside each other.

Another area that was commented on was that the support staff did not truly understand the role that the sales assistants did on a daily basis. I would recommend that there is more visibility of support staff in the stores, to truly realise the pressures they are under on a daily basis and again to recognise the hard work that they put in to achieve their targets.

5.1 Conclusions

From the outset, the aim of this dissertation was to discover and discuss the effects and causes of Staff Turnover in an organisation. From the literature review presented, it is clear that there are financial costs involved in staff turnover in an organisation, however it is not necessarily always a bad thing to have this occur. The main driving force behind this is that it is sometimes necessary to have some staff turnover in order to maintain "fresh blood" in the organisation.

When staff turnover does become a financial drain on an organisation, it is important to assess the reasons why employees choose to leave or what encourages them to stay. When an organisation finds itself in this situation, it is necessary to get the core elements of the employer/employee relationship correct. As discussed, these are basic elements such as hiring the right staff, training and developing staff, compensating them for their work and managing them effectively to work in a comfortable environment. While there are many other aspects of the employer/employee relationship that can attribute to staff turnover, if the basics are correct then the other elements of the relationship should come in time. This is similar to Maslow's Hierarchy of Needs- get the basics right first and then move onto the next level of the pyramid.

In the case of O2 Retail, it was clear that at 55% staff turnover, there was a financial drain on the organisation, therefore it was necessary to assess whether the basic elements of the employer/employee relationship was in tact. It is clear from the research and analysis that there are levels of satisfaction in some of the basic elements, however there are clear indications that there are many areas for development. Arising from the profile of the staff of O2 Retail, it is possible to put recommendations together that would work for this sector, however it is necessary to constantly assess whether these basic elements are always what is wanted by a workforce.

5.2 Further Research

As I only discussed the basic elements of the employer/employee relationship, I would be interested in further investigating what the higher elements of this relationship should look like. There are organisations that have the basics correct and have moved onto the next levels, however I feel it would be necessary to ensure that the basics are correct before moving forward.

Therefore, for further research I would be interested in surveying the individuals that took part in the original survey and finding out whether the ratings increased and if the recommendations made a difference to their working life in O2 Retail. I plan to research this in November 2008.

5.3 Personal Learning

During this dissertation my personal learning has been two fold. I have had the opportunity to put into practice what I have learnt over the past year in the NCI and to exhaust the library's resources on Staff Turnover. During the initial phase of the dissertation, I did have frustrations as the topic of choice was so vast, therefore I had to realise and understand how to discuss the chosen topic without missing vital information. To me this was an important learning experience.

The second learning experience for me was the research that I carried out in my organisation. For me this was not only putting my knowledge into practice but carrying it out for the benefit of the organisation. It proved to me that it is possible to get valid and tangible information by involving staff in the topic of research. It is not always necessarily the HR professional that has all the answers, if you engage with others there is more to benefit for all.

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EMPLOYEE FEEDBACK PROGRAMME

As part of our continued commitment to improve our working environment, a new 'Employee Feedback Programme' has been devised. The purpose of this programme is to identify and understand the reasons our people stay and to continue to identify ways to improve in these areas. We also want to understand what areas, if any, may be cause/reason for some people to leave in the future. The programme is designed to gain feedback from the main components of the employment relationship: Compensation & Benefits, Work/life balance, Brand, Work/Team environment, Recognition and Role challenge.

All responses will be treated as confidential and reported in the aggregate only.

Name: _____ Store: _____

A. Compensation and Benefits

O2 are committed to providing a compensation and benefits package that acknowledges your performance and contribution. This package includes the following: your base salary, 5% bonus based on performance, commission, pension 5% employer contribution after 2 years service, health care, life cover, mobile phone benefit, 22 days & 2 company days, long service awards 3 days additional annual leave, further educational sponsorship.

Please rate your level of importance and satisfaction with the above mentioned categories.

	NOT AT ALL IMPORTANT	NOT VERY IMPORTANT	NEUTRAL	SOMEWHAT IMPORTANT	VERY IMPORTANT
How important is the overall compensation and benefits package to you?					
	VERY DISSATISFIED	SOMEWHAT DISSATISFIED	NEITHER DISSATISFIED NOR SATISFIED	SOMEWHAT SATISFIED	VERY SATISFIED
How satisfied are you with the overall compensation package?					
Any comments?					

Question	
Are there things you would like to see improved?	
Are there elements of the compensation & benefits package you think could be improved on? If so, what?	

What solutions/recommendations do you have to improve this?	
Is compensation & benefits a factor that would cause you to leave/stay in the future?	YES/NO
Any other comments?	

B. WORK/LIFE BALANCE

O2 recognise the need to balance your working life with your family life, caring responsibilities and personal and social life outside the workplace. We have a number of initiatives in place to help you do this including: sports & social club, summer barbeque, christmas party, study leave, access to part time working,

	NOT AT ALL IMPORTANT	NOT VERY IMPORTANT	NEUTRAL	SOMEWHAT IMPORTANT	VERY IMPORTANT
How important is work/life balance to you?					
	VERY DISSATISFIED	SOMEWHAT DISSATISFIED	NEITHER DISSATISFIED NOR SATISFIED	SOMEWHAT SATISFIED	VERY SATISFIED
How satisfied are you with the overall Work/life balance at O2?					
How satisfied are you with your hours of work?					

What improvements would you like to see regarding hours of work?

Question	
Are there things you would like to see us improve on?	
Are there elements of the work/life balance you think could be improved on? If so, what?	

What solutions/recommendations do you have to improve this?	
Do you think that would cause you to leave/stay in the future?	YES/NO
Comments	

C.   O2 BRAND

	VERY DISSATISFIED	SOMEWHAT DISSATISFIED	NEITHER DISSATISFIED NOR SATISFIED	SOMEWHAT SATISFIED	VERY SATISFIED
How satisfied are you with the products and services O2 provide to its customers?					
What are your views on the reputation of the company both as an employee and a customer?					

D.   WORK ENVIRONMENT & TEAM ENVIRNONMENT

O2 strive to create a positive working environment for all its employees. The company recognises the important of a team environment and creating an opportunity to have fun at work! O2 have a number of policies and initiatives in place to enhance the overall working environment including: Employee feedback, 1-2-1s, MDMs, weekly wrap up, dignity at work policy, coaching/support from manager, leadership and communication.

	NOT AT ALL IMPORTANT	NOT VERY IMPORTANT	NEUTRAL	SOMEWHAT IMPORTANT	VERY IMPORTANT
How important is a positive working environment to you?					
	NOT AT ALL IMPORTANT	NOT VERY IMPORTANT	NEUTRAL	SOMEWHAT IMPORTANT	VERY IMPORTANT
How important is team environment to you?					

	VERY DISSATISFIED	SOMEWHAT DISSATISFIED	NEITHER DISSATISFIED NOR SATISFIED	SOMEWHAT SATISFIED	VERY SATISFIED
How satisfied are you with the level of interaction/coaching/support within your team?					
How satisfied are you with the leadership and communication from the O2 management team? (outline appropriate management team)					

Question	
Are there things you would like to see improved?	
Are there elements of the working environment/team environment that you think could be improved on? If so, what?	
What solutions/recommendations do you have to improve this?	
Do you think that would cause you to leave/stay in the future?	YES/NO
Comments	

E. RECOGNITION

Our recognition program rewards and recognises employees who perform well and who live the O2 values and customer promise. Our formal recognition scheme includes the following: on the spot awards, extra mile, ovation, superstar, store of the month.
We would like your feedback on both formal and informal recognition.

	NOT AT ALL IMPORTANT	NOT VERY IMPORTANT	NEUTRAL	SOMEWHAT IMPORTANT	VERY IMPORTANT
How important is recognition to you?					
	VERY DISSATISFIED	SOMEWHAT DISSATISFIED	NEITHER DISSATISFIED NOR SATISFIED	SOMEWHAT SATISFIED	VERY SATISFIED

How satisfied are you with O2's recognition program/recognition you receive?					

Question	
Are there things you would like to see improved?	
Are there elements of recognition you think could be improved on? If so, what?	
What solutions/recommendations do you have to improve this?	
Do you think that would cause you to leave/stay in the future?	YES/NO
Comments	

F. ROLE CHALLENGE

	NOT AT ALL IMPORTANT	NOT VERY IMPORTANT	NEUTRAL	SOMEWHAT IMPORTANT	VERY IMPORTANT
How important is a challenging role to you?					
	VERY DISSATISFIED	SOMEWHAT DISSATISFIED	NEITHER DISSATISFIED NOR SATISFIED	SOMEWHAT SATISFIED	VERY SATISFIED
How satisfied are you with the challenge you receive in your role? (empowerment, opportunity for development/progression)					

Question	
Are there things you would like to see improved?	

Are there elements of this you think could be improved on? If so, what?	
What solutions/recommendations do you have to improve this?	
Do you think that would cause you to leave/stay in the future?	YES/NO
Comments	

Please list the top 5 reasons why you choose to stay with O2?

1.
2.
3.
4.
5.

Are there any triggers that would encourage you to leave? If so, what?

1.
2.
3.
4.
5.

Do you see yourself being with O2 in 3 years time?   YES/NO

Do you see yourself having a career with O2?   YES/NO Why?

Do you have anything else to add that was not addressed in the sections above?

Thank you for your time in completing this survey.

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Employee Feedback Programme

Area	3	1	1	1	4	1	2	1	3	4	4	2	2	2	1	4	3	2	3	1	1	3	4
Number	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Compensation and Benefits																							
How important is the overall compensation & benefits package to you?																							
Not at all important																							
Not very important																							
Neutral										x													
Somewhat important							x	x				x	x										
Very important	x	x	x	x	x	x			x		x			x	x	x	x	x	x	x	x	x	x
How satisfied are you with the overall compensation package?																							
Very dissatisfied									x														
Somewhat dissatisfied										x												x	x
Neither Dissatisfied nor satisfied																		x					
Somewhat satisfied	x	x	x	x		x	x	x	x				x		x	x	x	x					x
Very satisfied					x							x		x					x				

Actual Comments Received	No.	Summary	Proposed Action	Timeline
Commision structure should be changed - 60% store, 40% individual				
Commision should be on achieveable targets and should not be forfeited because of circumstances outside of the stores control.				
Review of retail operational procedures - a lot of procedures are time consuming				
Share Options should be made available or share purchase schemes used.				
VC should be advertised more as they are a tax free.				
Flexitime & job sharing to facilitate individuals with families.				
commision payout changed dramatically I would consider leaving.				
Employee Tarriff - call credit should be increased to €20 and there should be a better roaming rate.				
would like higher base salary				
Would like to see a more progressive list of studies supported by the company.				
Lack of stock restricts our opportunity to earn more money - restricts salary & bonuses				
New hire pay details are close to staff members who are with company a while - not fair process.				
Slightly higher salary, less emphasis on commission.				
Comp & Ben seems very fair to me.				
Would like to see staff upgrades on handsets				
Believe that individual targets would drive everyone to sell the maximium they can.				
Would like to see base salary, bonus & commision improved				
Base salary is very poor - mimum wage.				
Further eduaction should be linked to other areas within O2.				

Would like more information on what our healthcare cover entitles us to.

Thinks staff should have more than a 10% discount on products.

Feel target of 100% is very high - staff have to work very hard to achieve this.

Would like to see the sales commision mixed, half individual & half team based

I feel my basic salary should be better

Would like to see more contact with HR

Would prefer to get vouchers instead of money for bonus

Would like to see more weighted compensation for hard working individuals

I was very disappointed with my annual raise and contemplated leaving the company.

At the moment it's very difficult to hit target due to a lack of stock, this then has a direct impact on commission.

Base salary is very low compared to other mobile networks.

Pension should start after probation rather than waiting 2 years.

Salary should reflect those working late nights and Sundays.

Salary should reflect the work an individual does, not their title.

Increase stock levels to allow stores to reach target.

Would like to see a more detailed report on our commision breakdown in our payslip.

Sales targets should be realistic and we should have stock to meet the targets.

Would like to see commision & basic pay raised.

We should also get more recognition for the customer service aspect of our job.

More recognition for higher performers.

VHI & pension are not important to me, I would prefer the option to have more monetary base bonuses.

Factor to stay go	n	y	n	y	y	y	n	y	y	y	y	y	y	y	y	y	?	y	y	y	y	y	?
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23

Work/life Balance
How important is work/life balance to you?

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Not at all important																							
Not very important																							
Neutral						x									x								
Somewhat important		x	x	x				x		x													
Very important	x				x	x		x		x	x	x	x	x		x	x	x	x	x	x	x	x

How satisfied are you with the overall work/life balance at O2?

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Very dissatisfied																							
Somewhat dissatisfied									x						x				x		x	x	x
Neither Dissatisfied nor satisfied										x	x					x		x					
Somewhat satisfied		x	x	x	x			x			x		x			x	x						
Very satisfied	x				x	x					x												

How satisfied are you with your hours of work?

Satisfied with hours of work																	x			
Somewhat dissatisfied								x		x		x			x					
Neither Dissatisfied nor satisfied					x	x	x											x	x		
Somewhat satisfied	x	x	x						x		x		x		x					
Very satisfied	x			x	x	x														

Actual Comments Received	Summary	Proposed Action	Timelines
xmas party later in the year!			
Have a fair & transparent system for sharing weekends off amongst staff.			
Would like to get a Saturday off work to have a proper weekend - even every 2 months.			
Think we should be paid for any time we have to stay in store outside opening hours.			
Would like flexible working hours.			
Happy with flexiblity of day off.			
Remove overnight stay for trainings/meetings			
Would leave if store opened late nigths & sundays.			
I am very pleased with my working hours.			
Would like to get a weekend off now & then.			
A fairer allocation of hours - weekend hours allocated to staff on a more even basis - this is not always the case.			
Look at employing part-time staff to work weekends.			
Improve access to part-time hours			
Some store open at 9am & others 9.30am. Stores should get overtime for this extra 2.5 hours per week.			
Would like to see more store sponsored events.			
like to see more recognition for those who come in early for stock take & like to get an early evening per month.			
Sports & Social events should be organised more often			
Would like to have more weekends off.			
I think all retail staff should receive one weekened off a month.			
Nor flexibility should be given regarding time off - going to doctors or solicitors meetings.			
Would love to see a flexi-time package.			
When we work Sundays, we don't receive a break as there are only 2 members of staff working. Would like to get a break on a Sunday.			
Staff working in stores should be guaranteed a full weekend off every month/6 weeks where possible.			
There should be a fair distribution of sundays and weekends for everyone.			
Managers should work more Sundays.			
Would like to have rota 2 weeks in advance.			
would like to see fairness in the weekly rosters and see everyone working the same amount of weekends/Sundays.			
Some companies get 10% discount on our products, as employees we should get more than a 10% discount.			

I would like to see more flexible hours for staff and also extra staff recruited for the Christmas period.

I would like to see what qualifies as overtime as some of us are working up to 40 hrs extra a month with no compensation.

I would like to see the common day after Christmas re-instated.

Factor to stay/go	n	n	n	y	y	y	n	y	n	y	n	y	y	n	y	n	y	n	y	y	y	n	n
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23

O2 Brand
How satisfied are you with products and services O2 provide to its customers?

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Very dissatisfied																							
Somewhat dissatisfied						x																	
Neither Dissatisfied nor satisfied																x		x					
Somewhat satisfied		x			x	x		x	x	x	x		x				x	x		x			x
Very satisfied	x		x	x								x		x							x	x	

Actual Comments Received

Think O2 is a very good Brand and is recognised as a good place to work - only issues are the probe   1

Feel the O2 Brand is "tired" & "jaded" and think we need to become "cool" again - we are not leading edge.

O2 Brand reputation is excellent.

Should give customers upgrade phone every year.

Lately there have been network & stock issues which is unsatisfactory to us as employees & customers

Feel we are not supplying handsets to the "fashionable customer" - the under 18 market.

O2 has excellent reputation regarding it's employees & customers, however due to low stock of speakeasy - a lot of customers are not happy.

I feel O2 have a very professional & genuinely caring reputation in the market & they have a lot of good incentives & care procedures (Friends & family, SOS)

Good reputation but little respect for the employees.

O2 has an excellent reputation.

I think they have a good reputation but it is sometimes hurt by bad stock such as Nokia 6111

Feel that O2 has a very strong reputation, they should look at attracting the younger customer.

O2 has many loyal customers but they need to increase the variety of services & products they have.

Very good company to staff and customers

As a customer, I believe O2 have a strong reputation and have made strong moves in the right direction this year.
As an employee, I would have no hesitation in recommending O2 until recently.

As a customer I am satisfied with the companies performance, however am not as happy in the company as I used to be.
It feels like the company feel like they have nothing more to deliver on since they won the best company to work for.

O2 tend to promise a lot but don't deliver, we were told that we would get regular training but that doesn't happen.

Quite a good reputation from customer point of view, SOS improved customer service

From a customer point of view, I am happy with service although if I was on speakeasy I'm not sure I would be.

O2 is best network in Ireland and offer great customer service and coverage.

O2 has a very good reputation as provider of high level of customer care and services in stores.

OS is a very good service that only O2 offers.

feel O2 has lost a lot of our warm organic feel towards both our staff and customers - we are a much colder corporate environment.

Work Environment & team environment

How important is a positive working environment to you?

Response	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Not at all important																							
Not very important																							
Neutral																							
Somewhat important															x								
Very important	x	x	x	x	x	x	x	x	x	x	x	x	x	x		x	x	x	x	x	x	x	x

How important is team environment to you?

Response	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Not at all important																							
Not very important																							
Neutral																							x
Somewhat important							x								x								
Very important	x	x	x	x	x	x		x	x	x	x	x	x	x		x	x	x	x	x	x		

How satisfied are you with the level of interaction/coaching/support within your team?

Response	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Very dissatisfied																							
Somewhat dissatisfied																x					x		x
Neither Dissatisfied nor satisfied															x		x						
Somewhat satisfied		x	x		x		x	x	x	x			x					x			x		
Very satisfied	x		x		x						x	x	x			x							

How satisfied are you with the leadership & communication from O2 Mgt team?

Response	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Very dissatisfied																							
Somewhat dissatisfied												x				x			x	x			
Neither Dissatisfied nor satisfied	x	x																					x
Somewhat satisfied			x	x	x	x	x	x	x	x			x	x		x		x					
Very satisfied			x																			x	

Actual Comments Received

Comments	Summary	Proposed Action	Timelines
Targets should be based on levels of stock - often we don't have enough stock to reach our targets & therefore don't' get our commision			
Area Managers should make themselves available more frequently for Q&A sessions with all staff.			
Team Building programs need to be rolled out to stores nationwide We need to focus on teams.			
Would like to see more "Ask Tony" sessions.			
Would like to see head office staff come to store more often - maybe even work for a day.			
feel ETL is an excellent tool			
Would like to see regular MDM's			
Sufficient cover should be given to stores for sick leave & holiday cover			
feel O2 have enough policies in place to create & keep a good working environment.			
Maybe have staff incentives within each shop on a monthly basis.			
Would like to see an intranet & have better communication with Customer Care			
would recommend that managers are better equipped to deal with issues with employees.			

Feel there should be more communication between managers & staff

Would like to see more budgets for team nights out.

Would like to see more direct answers given to some of the questions in the weekly wrap up.

Would like to see better staffing levels, at the moment staff seem to be spread very sparingly throughout the stores.

Would like to see more MDM's, more meetings with area manager. More training.

New staff should receive training as early as first week, more training opportunities should be made available for existing staff.

Management should distribute jobs and keep an eye on those not pulling their weight.

Think we are left out of the "loop" quite a lot in retail and only told about chagnes/new plans at the last minute. It would be good to be involved in these changes from start - finish.

Think managers now interviewing for new staff will have a hugely positive impact on the work environment.

Factor to stay go	n	y	n	?	y	y	n	n	n	n	n	y	y	y	n	y	y	y	n	y	y	y	?
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23

Recognition
How important is recognition to you?

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Not at all important																							
Not very important																x							
Neutral			x			x														x			
Somewhat important				x	x					x								x					
Very important	x	x					x	x	x		x	x	x	x			x					x	x

How satisfied are you with O2's recognition program?

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Very dissatisfied																							
Somewhat dissatisfied	x							x									x					x	x
Neither Dissatisfied nor satisfied				x						x						x		x	x	x			
Somewhat satisfied		x	x			x	x				x	x		x			x						
Very satisfied					x								x										

Actual Comments Received

Best performers should be rewarded constantly.

Official communication should be send out regarding the recognition schemes.

Many staff want monetary reward.

Would like to see more information on recognition awards - how to nominate etc.

The manager should make more effort to enter the Store into Spirit of O2 Awards.

Less emphasis on league tables
More recognition for employee than store
Regular meetings with manager/area Manager to review sales

Feel that O2 have proper policy in place but it is not been used enough.

More awards needed.

Would like to see more power in the hands of the managers to reward employees.

Feel the manager should reward the best performing employee each month

Summary
Formal / Informal Recognition Review

Timelines

believe the recognition policy is good but it is quite limited and could be improved on further.

believe currently the store manager receives the bulk of recognition and the staff should get this too.

dividual recognition for top sales person within stores.

would like to see annual pay rise based on individual performance.

Someone should be recognised if they step up to the role/cover for AM or Manager.

Would like to see more awards for local shops

Would like to see rewards within ralph's area

Am happy with recognition programme, however find it is difficult to organise MDM's with the lack of staff on the floor.

The recognition scheme is a great idea but I don't think people who deserve to be awarded are getting recognition. The managers need to be aware of everything the staff do and recognise them.

Employee of the month is very big competition, you do many things on your own store which should be recognised on small level.

Would like to see small level of recognition such as gift vouchers etc.

I think at the moment we only give recognition as a result of sales ability where there is a lot more to the role than sales.

Would like to see superstar of the month from each store.

Factor to stay/go n y n ? y n n n n y n y n n n n y y ? y y n

Role Challenge

How important is a challenging role to you?

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Not at all important																							
Not very important																							
Neutral																							
Somewhat important		x			x				x		x									x			
Very important	x		x			x	x	x		x		x	x	x	x	x	x	x			x	x	x

How satisfied are you with the challenge you receive in your role?

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Very dissatisfied																							
Somewhat dissatisfied												x				x	x						
Neither Dissatisfied nor satisfied					x			x											x		x		x
Somewhat satisfied	x			x		x	x		x		x		x	x				x		x			
Very satisfied		x								x												x	

Actual Comments Received

More coaching from Manager and Area Manager

Focus on delievering techniques & tools to staff rather than a single task - more development opportunities

Promotion - feel there is less change of promotion thatn there is in big stores.

Have requested mgt potential training 3 times, request process needs to be looked into.

Annual "career day", detailing stories of people who have worked their way up in O2

List of studies that O2 will support in further education

More indiviual roles & targets within the organisation.

More responsibility given to the sales consultant on a daily basis.

Would like to see better relationships with phone manufacturers.

Would like to work in a different store every so often to give me more variety.

Think there should be more training on new products

Managers should discuss all career opportunites with all members of staff.

I would like to see new starters being sent to different stores during there first few months.

I would like to see more input into the decision making process of the store/area.

The feedback in the weekly wrap up could be more of a discussion format as opposed to the current format.

I have recently been promoted but have been given no training/help in my new role.

Would like more training to develop my skills.

At the moment there is little clarity on the future scope for a manager to move forward in their role - having said this I have yet to see careerpath details.

Would like to see quicker role out of trianing so there are not huge gaps between some managers & staff.

Summary

Timelines

Factor to stay go	?	y	y	?	y	n	y	n	n	y	n	y	y	y	y	y	n	y	n	?	n	y	y

National College of Ireland

Top reasons to stay

Team Atmosphere	x15
Benefits	x8
O2 Brand	x7
Internal opportunity	x8
Challenging & rewarding work	x7
Generous Salary	x4
Training & Development	x4
Progression	x3
Good communication within company	x2
Work/life balance & flexibility	x2
Employee Incentives	
Good Employer	
Location of store	
ETL	
Being in a changing environment	x2
Commission	
Interesting products	
Working conditions	
Good holidays	
Staff Tarriff	
Work Satisfaction	
Apple	
Management	

Triggers to leave		
Low Salary	x11
Lack of promotions	x5
Increased working hours	x4
Poor atmosphere in store	x3
lack of support	x3
Poor Senior Management	x2
Unsociable work hours	x2
Detrimental change in salary/commision change	
Transfer to another store	
Stock levels	
lack of recognition	x2
Policies - non comp, staff fined	
Poor communication	x2
Favouritism in store	
Difficult customers & situations	
Structure change in company	
lack of training	
Unrealistic targets	
Commission	
Very little transparency in pay structure	

In 02 in 3 years time?	Y	Y	Y	Y	Y	Y	N	Y	Y	y	y	y	n	y	y	y	y	?	n	?	y	y
Career with O2	Y	Y	Y	Y	Y	Y	N	Y	?	y	y	y	n	y	y	y	y	?	n	?	y	y