The Effect of Corporate Culture on the Retention Rate of Staff in the Retail Industry in Ireland.

Dissertation submitted in part fulfilment of the requirements for the degree of Master in Business Administration

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Declaration:

Declaration: I, Robert Reid, declare that this research is my original work and that it has never been presented to any institution or university for the award of Degree or Diploma. In addition, I have referenced correctly all literature and sources used in this work and this work is fully compliant with the Dublin Business School’s academic honesty policy.

Signed: _____Robert Reid__________________________

Date: ________21-08-2016______________
**Acknowledgements:**

I would like to thank my family, my housemate and all of my friends for supporting me and encouraging me throughout this whole process; without them, I wouldn't be where I am today.

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Finally, I would like to thank all staff and students at Dublin Business School who helped me in one way or another throughout my education.
Abstract:

The purpose of this research project was to determine the effect corporate culture and policy have on the turnover rate of staff in the retail industry in Ireland. For a long time, the retail industry in Ireland has been plagued by high turnover rates, with no end in sight. This means that retailers right across the country spend vast amounts of resources every year on recruiting, selecting and training new staff. This is a costly procedure, which has a direct impact on the level of service a store can offer, pulls others from tasks to train new employees, and most of all, incurs substantial costs for the company, which has invested greatly in their employees only for them to take their skills elsewhere.

This research project will identify the main factors contributing to low morale, low job satisfaction and, consequently, high turnover rates. This will be done via a survey, which will be distributed to and completed by retail employees from all across Ireland. Following the survey, four retail employees will be interviewed to further assess the problems that were expressed in the survey.

This research project will also include a literature review of past literature related to this project. Information garnered from the literature will also help to guide the questions asked on the survey and in the interviews. As human nature plays a major part in this study, an ontological approach will be adopted.

In the end, three major contributing factors were determined to be the cause for the high turnover rate in the retail industry in Ireland. These are salary, motivation and job satisfaction, and communication. This project then addresses these concerns and offers the retailers of Ireland practical advice, which they can implement in their own organizations to help improve their turnover rates.
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Chapter 1: Introduction

The retail industry is highly competitive throughout the world, with people from all walks of life wanting and needing to buy and sell goods, making it an attractive business opportunity. Because this industry is so highly competitive, businesses must ensure that their offering is attractive in order to encourage customers to spend their hard-earned cash.

A company can save money in many areas, such as suppliers, rents and staff wages. However, this study will look at the cost of staff retention and its effect on the retail industry here in Ireland.

Human resource management (HRM) and corporate policy have a major impact on job satisfaction, and consequently, staff retention. Having a specific culture and policies in place can help to greatly improve job satisfaction rates. These may include bonus schemes, training programs, reward schemes, corporate social responsibility, motivational workshops and employee empowerment; thus, with improved job satisfaction rates, improved retention rates will follow (Samuel and Chipunza, 2009). Companies do incur costs for such schemes, which can be why they may be hesitant to invest in them. However, investing in these schemes and changing the corporate culture and policies can help increase and improve satisfaction, thereby helping the company to achieve its goals and objectives (Glebbeek and Bax, 2004).

Employees are the most important asset of any business. They are the face of the business, the people who interact with the customer. They are the key point in closing a sale, and the more knowledge and experience these key people have, the better the business will be and, thus, increase its profit margins. But what happens when these
people leave? The business loses that experience, loses its investment in that person and, ultimately, takes a loss.

This study will look at the effect of corporate culture and policy on the job satisfaction levels of staff in the retail industry in Ireland and what impact, if any, this has on staff turnover rates. Then, ways in which retailers may remedy the problem will be suggested, or alternatively, its achievements in this area will be highlighted.

Turnover rate, attrition rate and retention rate are all basically the same term, whereby turnover rate is the percentage of staff leaving their employers, attrition rate is the percentage of staff leaving the company over a certain period of time, and retention rate is the percentage of staff a company retains.

1.1: Purpose of the study

The aim of this research is to determine whether changes in corporate culture and policies can improve the attrition rate of staff in the retail industry here in Ireland.

The scope of the research is to examine whether a company’s introduction of policies have had a positive effect on retention rates. This study will also examine the store employee’s themselves across a number of different stores and companies to find out if changing attitudes in the various stores may affect turnover rates.

The study will encompass two types of data collection: a quantitative survey and qualitative semi-structured interviews. The survey will be conducted among retail employees from various stores and businesses across the country, and the semi-structured interviews will be conducted with retail employees of varying lengths of service in their current roles.
The survey will look at retail employees’ opinions on pay and conditions, their attitudes towards their employers’ corporate social responsibility (CSR) policies, job pride and job satisfaction. This data will then be compiled statistically and examined for trends. Upon analysis, the survey will reveal if policies and culture have an effect on retail employees’ desire to remain employed by their employer and to what degree. This will then shed light on the areas that the industry can improve upon in order to increase job satisfaction.

Accordingly, the survey will help steer the direction and line of inquiry of the interviews down the right path. Using the data from the survey, the semi-structured interview questions will be developed.

The interviews will establish which corporate policies and aspects of the corporate culture staff consider positive or negative, with the aim of delving deeper into the changes retail employees would like to see introduced to help increase retention rates.

Once these data collection methods are completed and analysed, conclusions and recommendations will be drawn and will be released for use by the retail industry in Ireland.

The objective of this dissertation is to determine how much of an effect corporate culture and policy have on the attrition rate of staff. Organizational culture, as defined by Needle (2004), is:

the collective values, beliefs and principles of organizational members and is a product of such factors as history, product, market, technology, strategy, type of employees, management style, and national culture; culture includes the
organization’s vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits (Needle, 2004, p. 155).

Thus, this dissertation will look at the specific culture that has developed in the retail industry in Ireland, and how this culture has either increased or decreased the attrition rate within the industry.

Therefore, the following research question is posed:

“Does having a certain corporate culture or policies effect the attrition rate of staff in the retail industry in Ireland?”

In order to make a testable dissertation, the following hypothesis is proposed:

“A positive corporate culture and desirable policies can lower staff attrition”

Whereby a “positive culture” is one that promotes self-education, development, progression, above minimum wage pay and other bonuses and perks and, therefore, a “negative culture” would be considered one in which there is low morale, has had incidences of strike action, has low career progression and development, and pay is at or just over the national minimum wage.

The aims and objectives of this dissertation are:

To carry out a survey and interview retail staff within Ireland – this survey and interview will be open to all retail workers.

The interview will be conducted with:
• members of staff who have varying lengths of service;
• members of staff who have left the industry and returned; and
• if possible, members of staff who have left the business and since returned.

Using this qualitative data, current research and theories, the type of culture and/or management style present in the retail industry will be examined. After examining the data and reaching a conclusion, suggestions and recommendations will be drawn.

While the issue of staff retention in the retail industry has been a problem that has plagued the sector for decades, few studies have been undertaken to investigate the effect of corporate culture and policy on this phenomenon. More specifically, the researcher has found no research that has looked at this topic in Ireland. With retail companies slowly coming back into profitability after the 2008 crash, those who survived are debt laden to such an extent that they are endeavouring to ensure that all business functions are cost effective. While this topic is not new, it is relevant in post-recession Ireland.

1.2: Background of the Irish retail Industry

According to the 2013 annual report by Retail Ireland, the retail industry was worth approximately €27.3 billion to the Irish economy in 2013, and this figure is growing as the country recovers from recession. With over 275,000 people working in the sector, this industry is also Ireland’s biggest employer. A vast number of these employees are low paid, low hour workers. Furthermore, the sector has always been known for having a high turnover rate. Can changing the corporate culture and policy help fix or cure the historically high staff attrition rate in the retail sector?
Indeed, seasonal effects, such as summer and Christmas, plague the industry, and this obviously contributes greatly to the retention rates, but even with these factors included, the retention rates are still quite low.

1.3: Staff retention statistics and figures

The Hay Group, one of the world’s largest recruitment consultancy firms, carried out a survey in 2012 among 50 of the United States’ largest retailers and found astronomically high figures of 67% part-time and 24% full-time staff turnover rates. The full table can be seen in Appendix A.

When compared to a similar industry in the United States (US), e.g. hospitality, which had a turnover rate of 61% in 2012 for part-time employees, both of these industries are affected by seasonal staffing. However, for an industry not affected by seasonal staffing, i.e. banking and the finance sector, the staff turnover rate for the same time period was just 16.5%. There is also research coming out of the US that the main reasons why people voluntarily choose to leave their jobs in the retail industry are low job satisfaction, low pay, unsociable hours, and a low possibility of career advancement within each establishment (Aksu, 2004; Hinkin and Tracey, 2000).

Another factor that may play a major role in staff retention is generational differences. As has been pointed out in many articles and research, there are stark differences between the “baby boomer”, generation X and generation Y generations. The baby boomers are typically considered the generation with birth years from 1946 to 1965, while generation X has birth years from 1966 to 1976, and generation Y from 1977 to 1994.

Many articles also assert that the baby boomer generation is much more fearful, earning money to save it, and staying in jobs that are secure for many years. Generation X, on
the other hand, has a much more “what’s in it for me?” attitude. They are also the most highly educated generation, with 29% of generation X having a bachelor’s degree or higher in America.

Stark differences exist between generations Y and X, and the baby boomers. For example, generation Y tends to earn money to spend money, rather than save money. They are also much more technologically advanced than the baby boomers and generation X, as well as more fearless, some researchers have said, when it comes to job prospects and security, opting to move jobs as a better offer comes along. Whereas generation X and the baby boomers are much more likely to seek job security and financial stability (Cennamo and Gardner, 2008). Could having a hiring policy that tends to hire younger members of the population have a disastrous effect on staff turnover?

The Bloomberg news agency (Bloomberg, 2008) carried out a study, suggesting that the cost of rehiring and training new staff members can cost approximately 16% of the person’s salary. Another report from the American Progress journal suggests that turnover costs are slightly higher at one fifth, or 20%, of a person’s salary. The same study also provides a much more detailed analysis of turnover cost as a percentage of salary, broken down for employees by pay bands. This study goes on to say that, from the case studies they examined in the US, a person earning less than $30,000 a year will cost the company 16% of that person’s salary to replace, 20% for $50,000 a year or less, and 21% for $75,000 or less a year (Boushey and Glynn, 2012).

Couple this cost with the high turnover rate of staff, this phenomenon is costing the retail sector millions of euros every year. So, what can retail companies do to curtail attrition rates and thus lessen spending on recruitment and training?
Chapter 2: Methodology

2.1: Introduction

As stated in the Introduction, this research project will focus on conducting a thorough investigation on the effect of corporate culture and policy on the retention rate of staff in the retail industry in Ireland. In addition, this research project will offer useful insights for small and medium business owners in Ireland and the retail industry as a whole – resourceful recommendations on policy and cultural changes that companies should take in order to improve their employee retention rate.

In order to achieve these objectives, the most appropriate data collection methods must be implemented. By using these methods, the researcher is guaranteed the most accurate and reliable data to analyse. Accuracy and reliability is essential as the data will be used to make suggestions to retailers on ways to improve their staff retention rates.

Research methodology is a process through which information and data are collected for the purpose of extrapolating results, which in turn will help the researcher reach informed results during a piece of research. This process enables a researcher to access all the information he or she needs in a research project to answer his or her research question (Kumar and Phrommathed, 2005)

Several considerations need to be reviewed before deciding on either a quantitative, a qualitative, or a mixed method approach to data collection. Each approach has its pros and cons. To determine the best and most reliable option for this particular study, a complete review of the research question must be completed to determine exactly what the research requires. The type of information required, i.e. statistical, opinion or
empirical data, also plays a crucial role in deciding on the best methodology to use. Thus, the primary focus of this chapter will be to outline the research methodology that will be used in this research project. This will include the data collection methods, the research design, and finally, the underlying reasons and justification of why the discussed research methodology was chosen and implemented.

2.2: Research philosophy

“Research philosophy refers to the development of knowledge and the nature of that knowledge” (Saunders, Lewis, and Thornhill, 2009, p. 107).

Research philosophy is an idea, belief, concept or theory held by a researcher on how data that is needed to back up a research question should be collected, in order to gather the most effective and accurate information to analyse to produce informed results. The three types of research philosophical approaches researchers can use for their studies are epistemology, ontology and axiology (Crossan, 2003; Saunders, Lewis, and Thornhill, 2009, p. 110)

The epistemology branch of philosophy requires the researcher to critically assess and investigate, in order to determine the true nature, origin and the underlying reasons behind the knowledge that human beings possess. It sets out to create a clear distinction between the underlying true or false aspects of human knowledge (Williams, 2001). Epistemology involves the two aspects of positivism and realism (Saunders, Lewis, and Thornhill, 2009, p. 112).

Ontology, on the other hand, focuses more on establishing the nature of human beings and their relationship with other aspects of the universe. Ontology’s two aspects are objectivism and subjectivism.
“Objectivism represents the position that social entities exist in reality to social actors”, while subjectivism represents the view that “phenomena are created from perception and consequent actions of social actors” (Saunders, Lewis, and Thornhill, 2009, p. 111). It seeks to comprehend how things come into existence and the forces behind this existence (Buitelaar, Cimiano, and Magnini, 2005).

Lastly, axiology is the study of “judgments and value” (Saunders, Lewis, and Thornhill, 2009, p. 116), and it sets out to understand and comprehend the value of something. Much emphasis is placed on establishing the value of a particular element in life, e.g. the value of a human being in the ecosystem (Rescher, 2004).

This researcher began this research project with an open mind, and a mindset focussed on gathering the most accurate and reliable data from which conclusions and recommendations could be drawn. After careful consideration, the researcher has decided to adopt the ontological approach for this research project. This decision will, therefore, require the researcher to adopt the positivist notion, based on the fact that the actions of the retail employees filling out the survey and being interviewed are primarily determined and guided by human nature, which is highly fluid, as well as the external influential factors they may have experienced (Saunders, Lewis, and Thornhill, 2009, p. 111).

Therefore, an ontological approach is most suitable to guarantee the collection of the most reliable and relevant data. A positivist researcher is one who believes in focusing on the quantitative research method, i.e.: the survey. This means that this researcher’s main goal is to analyse statistical data pertaining to the research subjects being observed. This includes quantitative factors such as size and number that are all measured to gather the final results. Questionings and in-depth descriptions will also be
required to fully comprehend why very low employee retention rates exist in the retail industry in Ireland. All of these factors will play a crucial role in this research project (Crossan, 2003).

The research strategy that has been adopted for this research project is survey. “Survey strategy is usually associated with the deductive approach, it is mostly used as they allow the collection of large amount of data from a sizable population in a highly economical way” (Saunders, Lewis, and Thornhill, 2009, p. 144).

A survey is often administered via a questionnaire to a population of people. This can be done through various methods, such as by hand, via email, or via app. In addition, people perceive it as an easy task to complete because the questions are easy to explain, comprehend and understand, as is the information that the questions seek (Saunders, Lewis, and Thornhill, 2009, p. 144).

2.3: Data collection methods

The two methods of data collection are quantitative and qualitative. Quantitative data is defined as a “synonym for any data collection technique (such as a questionnaire or data analysis procedure such as graphs and statistics) that generates or uses numerical data” (Saunders, Lewis, and Thornhill, 2009, p. 151).

While qualitative data is defined as a “synonym for any data collection technique such as an interview or data analysis procedure such as data that generates or uses non-numerical data” (Saunders, Lewis, and Thornhill, 2009, p. 151).
To get the most accurate and reliable results for this research project, the researcher examined a variety of data collection methods from both primary and secondary sources.

The secondary source for this research includes a literature review of previous research that has been carried out and previous research results found in academic journals. The benefit of using this form of secondary data is its time-effectiveness, as someone else has carried out the research, compiled the data and analysed it. It has then been published and peer reviewed. This means that the data and the analysis of the data have undergone testing and approval by people who are equally knowledgeable in the field of interest.

The primary source of data for this research project will be conducted via a questionnaire. This primary source of raw data will be used to gather vital information from the participants of this research project, i.e. people currently employed and working in the retail industry in Ireland. The questionnaire will be custom-made by the researcher for a specific audience to ensure that it delivers the correct questions, the responses of which the researcher will rely upon for analysis to draw solid and factual conclusions.

To ensure the right audience is reached, an electronic survey was chosen. The electronic survey will be made using the free Google Forms platform. This will then be circulated via social media, Facebook and Twitter, as well by email. The researcher will also be asking participants to ask their colleagues to take the survey to increase its reach. To ensure that the survey is only taken once by each participant, they must submit their email address to access the survey. Email addresses will not be linked to the survey results to ensure anonymity.
One of the main benefits of using questionnaires/surveys to gather information is the fact that the researcher gets answers to exact questions asked in the questionnaire. The information gathered is, therefore, more precise, accurate and to the point, thereby improving its efficiency in the research process. In addition to this, it is an inexpensive way of gathering information compared to other methods, such as interviews, where a lot of expense may be incurred (Johnson and Turner, 2003).

Also, the researcher found questionnaires appropriate to reach the target audience for this research as the respondents are easily contactable by social media and via email. This also means the researcher does not need to travel so no costs will be incurred.

Following on from the results of the questionnaire, the researcher will then design the structure for the semi-structured interviews. The questions asked in the interviews will very much be a method to further explore the conclusions drawn from the questionnaires. The researcher has chosen a semi-structured form to allow for further exploration during the interview of any interesting opinions offered up by the interviewees that the researcher deems to be poignant topics or themes.

An interview is also quite effective for gathering data, but it is a different type of data compared to the questionnaire. It gives the researcher an opportunity to interact with the participants personally, thereby deriving all information required for the research, and allowing the researcher to fully understand a topic and delve deeper into topics that may contain more substantial information. This method also allows the researcher to gather emotional responses from the interviewee; additionally, feedback is immediate and further clarification can be requested when needed (Ton and Huckman, 2008).

This research mainly focuses on business management and strategy, and its effect on the workforce; therefore, it could be considered a HRM topic. Because of this HRM
characteristic, I propose using the axiological approach to critical realism as the research philosophy. This philosophy was chosen as it places the emphasis on value and worth and also helps the researcher to minimize his or her bias towards the research. In addition, since this research focuses on attrition rates, attrition itself is tied to the employees' morale and their feeling of worth in the company. According to Saunders, Lewis, and Thornhill (2015), this philosophy suits research that emphasizes data collected through interviews and focus groups, rather than those which are based on anonymous questionnaires. As many of the conclusions of this research will be based on the opinions expressed in the interviews, this will be one of the main research philosophies employed. Objectivism will also play a part in the research philosophy, as this set attributes to assumptions of the natural sciences (Bazeley, 2015).

According to Crișan-Mitra (2015):

Research methodology plays a fundamental role in academic research. Choosing appropriate research methodologies and methods to pursue a documented research activity, require not only a complex documentation, but also impose to find the instruments and methods that can better present and measure the studied phenomenon (Crișan-Mitra, 2015, p. 254).

In this dissertation proposal, I have set out both quantitative and qualitative methods of data collection, making this a mixed method data collection research approach.

Mixed methods approaches to research have been widely adopted in social sciences and professional studies disciplines. Using a combination of methods is assumed to offer the promise of greater flexibility in undertaking research, of generating better supported arguments from research data, and of increased relevance to a wider circle of stakeholders, claims that are at least partially
supported by evidence of higher journal citation rates for mixed than mono-
method articles (Bazeley, 2015, p. 133).

Saunders, Lewis, and Thornhill (2009) state that for quantitative research, a positivist
and deductive approach should be used, and for qualitative, interpretive and inductive
reasoning should be used.

As I am personally connected to the industry and many of the participants taking the
survey, I have decided to take a critical realist approach by way of an axiological
approach to this research as this will help reduce my inherent bias. Because I am
carrying out two methods of data collection, one of which is qualitative, I have chosen to
be inductive so that conclusions are drawn only from data, and thus lessening my
perceived bias.

2.4: The survey

A survey or questionnaire is a set of carefully and logically selected questions, often
with multiple choice, yes or no, or opinion-based answers, given to participants of a
study or survey, to ascertain information from the participants on a particular topic
(Brace, 2008). There are several advantages and disadvantages in using a
questionnaire/survey, which will be discussed below.

Advantages:
The main advantage to using a survey in research, for both academic and commercial
purposes, is its cost effectiveness. The simple reason is because it does not cost much to
set up and administer. They are also an efficient way of gathering information from a
large sample set, i.e. a large group of people, in a relatively short period of time.
Also, the large sample sizes that are available for surveys means that the data becomes more and more statistically sound as more and more people take it. The use of a survey is also beneficial because participants are only asked certain questions, and the resulting answers cannot be skewed by outlying results. In literature and research papers, positivists have provided solid evidence that questionnaires and surveys are the most favoured method of data collection when the researcher is testing a hypothesis or new theory (Brace, 2008).

Disadvantages:

One the major disadvantages of surveys and questionnaires, which many critics consider a major limitation of this data collection method, is the fact that there is no way to determine whether or not the information and answers provided by the participants of the study are truthful.

Another critique of surveys and questionnaires, which is considered a major shortcoming, is the fact that oftentimes participants do not take them seriously. This is due to their recent increased use for commercial and academic purposes (Samuel and Chipunza, 2009).

For this particular survey, the researcher used the free online tool provided by Google known as Google Forms. This particular tool was chosen as it has an option to export the data to an Excel spreadsheet document where statistical analysis can be run. The Google Forms package also runs statistical analysis free of charge.

The survey will consist of 13 questions, with mainly sliding scale answers. A copy of the survey can be found in Appendix B.
The survey will be open to every member of staff in the retail industry in Ireland. This will ensure that the survey has a mix of gender, length of service, age, job level, size of business, local or multinational business, job function, and contract length.

The aim of this survey is to help build a statistical picture of the reasons why staff have remained in their jobs. The first two questions are demographic questions, i.e. gender and age, followed by more specific questions to do with the research itself.

The survey will also aim to find the average length of service of the participants. This will be done as participants will be asked their total length of service in years and months.

The survey will also aim to look at pay and conditions of employment and its effects, as all companies will have different pay policies, with some paying minimum wage to entry level employees and some paying an Irish living wage to entry level employees. As managers will also be able to take this questionnaire, the survey will examine whether their salaries are competitive and a contributing factor to their employment.

A major part of many business’ ethos is CSR, with many companies actively involved in many charity partnerships around the world, including Ireland, where money is raised in store or donated by the company to help local and international efforts, and companies often encourage staff to get involved in the fundraising initiatives in any way they can. Charity and giving back is very important and can enrich the lives of volunteers; thus, the survey will also try to gather information on the staff’s opinion on helping to increase pride in one’s job and company.

For many people, the availability of career progression programmes is a major selling point when choosing a job; therefore, the survey will also ask whether staff find this an
attractive feature of employment. However, it is understood that not all employees want to progress in their careers and some are happy to stay in the position they are in, and this will be taken into account when analysing the results of this question.

Following on from the above, the employees will be asked quite simple questions in the survey, such as:

“Do you feel supported by the store management team?”

“Do you feel like you are listened to by your employer?”

“Do you feel like you are treated fairly?”

“I like working for my employer.”

“Do you feel proud to say you work for your employer?”

These questions are being asked quite simply because if employees do not feel supported, or listened to, they will become frustrated, and this will have a negative effect on the how they perceive their value and worth to their employer.

As noted above, the survey will quite straightforwardly ask the associate if he or she feels proud to say they work for their employer. This question is very important because if one does not have pride in one’s work will you ever be truly happy?

Upon completion and review of the survey and literature, it was decided by the researcher to add one additional question: “Please rate your level of job satisfaction on a
scale of 1 to 10 below, with 10 being the highest”. This question is obviously a vital part of this research and was overlooked due to an oversight by the researcher.

After all surveys are completed, the survey results will be statistically analysed and the results interpreted.

2.5: The interviews

The interviews will follow the semi-structured style of interviewing. Only some questions will be predetermined, while others will be added to the interview as the interviewee explores more themes.

Four employees will be interviewed in total. These four interviewees will be of different lengths of services, different ages, different businesses and different geographical locations as this will ensure a wide range of opinions and experiences.

No interviews will be conducted with employees of less than two years’ service as this research is looking at retention rates, and why employees have stayed with their employer for so long and what has affected their decision to do so.

One employee will have 5+ years’ of service and will be considered a long-term service employee; thus, their opinion will be of a highly strategic advantage as they will have had a lot of experience, have seen a lot of changes in the industry, possibly have been promoted, and have seen benefits for staying employed with their employer.

The interviews with the members of staff who have left and returned to the industry will be truly interesting, and offer much insight into the benefits of staying in the industry and their company. This interview will be longer than the other three
interviews as it will explore the reasons why these employees ultimately decided to leave the industry, what they thought was better about the industry they went to work for, and then finally, what series of events led them to return to the industry and why. This interview will offer the most insight, as the interviewees will have had experience from both the retail industry and another industry, seen the pros and cons of both, and ultimately decided that the retail industry was a better fit for them. The ultimate aim of this interview will be to find out what makes the retail industry the right fit for someone and why, and is there much difference of opinion in their reasons for staying in the industry.

2.6: Survey administration

In order to reduce the time pressure and cost for the researcher, the researcher emailed the survey to a range of specific contacts available to the researcher to fill in the survey. The survey was also shared on the social media platforms of Facebook and Twitter to further increase its reach.

2.7: Validity and reliability

For this research project, the researcher is highly concerned that all data collected and presented is valid data and reliable. According to Saunders, Lewis, and Thornhill (2009, p. 79), reliability is defined as: “The extent to which your data collection techniques or analysis procedures will yield consistent findings”, while validity is defined as being “concerned with whether the findings are really about what they appear to be about”.

Another reason why this researcher is very concerned about ensuring that the research being carried out is reliable and valid is because research projects such as these are
used by other students, academics and businesses to help further their research, careers, or businesses using the topics discussed within this research paper.

Because the research project focuses on the effect of corporate culture and policy within the retail industry in Ireland and how it effects retention rates, the persons wishing to make use of this research will be the senior leadership teams and other senior managers within the retail industry in Ireland, as well as students and academics who wish to use it to further their own research.

Though this research primarily focuses on the retail industry, oftentimes policies and cultures are similar throughout similar industries, the hospitality industry for example. Therefore, other industry experts may wish to use the findings and conclusions of this research project to improve their retention rates should they see fit. It is for these reasons that it must be ensured that this research project is valid and reliable (Golafshani, 2003).

For a research study or project to be considered reliable, it must meet a certain number of parameters. First, the study must be repeatable, i.e. another researcher is able to repeat the research under the same conditions and parameters, and the results are also repeatable, meaning that another researcher will achieve the same results, and draw the same conclusions as the original researcher after repeating the experiment (Golafshani, 2003).

Validity refers to the integrity of the results and that the conclusions are effective and have principle (Golafshani, 2003). The researcher must show that high ethical and moral standards have been maintained during the research. To ensure a high ethical standard in this research, all questionnaires will be anonymous. Participants will not be asked their name at any time. The only identifying information in the survey will be age
and gender, but using this information alone, it will be impossible to identify the participant.

For the interviews, anonymity is key. It is for this reason that during the interviews interviewees will only be asked their length of service and age. They will not be asked which business they are in, position, gender, or level. Not having any of the aforementioned information will make it extremely difficult to identify the person.

2.8: Population and sample size

As mentioned earlier, the questionnaire will be a survey of all retail employees from all retail businesses in Ireland, and will include staff members at any level. This research aims to have at least 40 respondents to the survey. Also, disseminating the survey through social media means that a greater number of people will be reached, thereby increasing the statistical validity of the survey.

2.9: Limitations of the research

As in all research, there are limitations to this research that may hamper the progression or results of the research itself. The first limitation would be that the response count is not fit for the survey. The researcher has set a response target of 40 responses. Though there are many people working in retail stores in Ireland, the researcher feels it may be hard to get the right number of respondents as people are quite used to seeing requests for surveys on social media nowadays, and are quite used to just passing over them.
The second limitation to this research pertains to the interviews. With the researcher’s workload and the interviewees’ busy schedules, it may not be viable to hold a face-to-face interview, and they may need to be conducted via telephone or Skype.
Chapter 3: Literature Review

This chapter will explore available academic literature on the topics of staff retention, the retail industry, factors that contribute to high staff turnover, the effectiveness of employee benefit schemes and other topics that pertain to this research project.

This literature review will also look at the turnover rates in another industry that is similar to the retail industry, i.e. the hospitality industry. Comparing and contrasting the hospitality industry with the retail industry will help show the degree to which staff retention is a problem in the retail industry.

3.1: Employee turnover

The main topic of this research project is how corporate culture and policy affect staff turnover rates. In this section, the researcher will explore both policy and cultural factors that affect employee turnover rates. Employee turnover is defined as “the proportion of employees who leave an organization over a set period (often on a year-on-year basis), expressed as a percentage of total workforce numbers” (CIPD, 2014).

However, what effect does employee turnover really have on an organization? In the book, *Armstrong’s handbook of human resource management practice*, the author describes the effect of employee turnover as costly and disruptive to the organization (Armstrong, 2012). But what types of turnover are there and what contributes to them? In the book, *Retaining valued employees*, the author describes three different types of turnover; voluntary, involuntary and dysfunctional turnover. Voluntary turnover is when the employee chooses to leave the business. Involuntary is when the organization itself chooses to let the employee go. This can happen for a number of reasons, such as organizational restructuring, a person’s job becoming obsolete, relocation, or poor
performance, among others. Finally, dysfunctional turnover is described as turnover which seriously effects the organization, such as high performance members of staff leaving the business who are usually hard to replace.

In any organization where pay and conditions are perfect, there will inevitably be a low level of turnover. In such situations, the attrition rate is due to people retiring, career progression, death, ill health, and other personal reasons (Allen, Bryant and Vardaman 2010). This low level of turnover is expected and generally has no major negative effects on the organization’s ability to function.

On the other hand, a high level of staff turnover can have disastrous effects on an organization. Such effects are as follows:

- Causes the reduction of entry-level employees;
- Can mean the use of temporary, contract and agency employees;
- Seriously reduces productivity; and
- Slows employee development.

Branham (2012) compiles all the reasons why employees leave into seven main themes, as follows:

- Employees feel the job or workplace is not what they expected;
- There is a mismatch between the job and person;
- There is too little coaching and feedback;
- There are too few growth and advancement opportunities;
- Employees feel devalued and unrecognized;
- Employees feel stress from overwork and have a work/life imbalance; and
- There is a loss of trust and confidence in senior leaders
When an organization’s employee turnover reaches alarmingly high levels, the effects can be catastrophic for the organization. Organizations must take control of the situation by developing systems and guidelines for managing turnover before it gets out of hand and starts affecting the productivity of the organization. This is especially true for human resource managers who need to be clued into the needs of their organization and respond to heightened turnover and manage it (Allen, Bryant and Vardaman 2010). It might be concluded that when a tougher labour market falls, voluntary turnover rates will also drop, and while this true, in most cases these jobs are held by highly skilled employees, and tougher labour markets have no impact on voluntary turnover rates. It is, therefore, advised that human resource managers do not ignore their retention management systems during this time (Trevor, 2001).

As previously stated, when an employee decides to leave an organization, this has a massive impact on the business, not only in experience lost but also the time and money that must be spent to replace them. Mitchell, Holtom and Lee (2001) have suggested a cost of 90–200% of the annual salary of that person. This is significantly more than the 16–21% mentioned earlier which was found above by Boushey and Glynn. The abovementioned authors also go on to suggest that there are many hidden or indirect costs with turnover which may not be obvious, and to avoid incurring these costs, efforts must be made to minimize the turnover rate.

3.2: Replacement costs

As stated above, there are several reasons why an employee would voluntarily decide to leave a company, but in many ways it isn’t just the employee the company loses. Gone with the employee is a wealth of knowledge and experience and, thus, the cost of replacing said employee, and often a cost often left unmentioned, the cost of searching
for, interviewing, hiring and training that employee in the first place. The costs just build and keep on adding up. The researcher has previously mentioned that the cost of replacing employees can span a range of percentages of a person's yearly salary. A study by Cascio (2000, cited in Brotherton, 2010) summarized that the full cost of replacement could cost anywhere from 93% to 200% of the person's salary.

Taylor (2002) puts forward an opposing view, whereby the author states that if the person who has left can be replaced quickly and this new employee's productivity can be brought up to an acceptable level in a short period of time, then the costs can be lessened. However, this really only applies to low-skilled jobs. Those in highly skilled jobs or jobs where the skills are in short supply in the workforce may take much longer to replace, and thus cost more to replace.

In an article by O'Connell and Kung (2007), the authors believe that replacement costs come from three areas: staffing, vacancy time and training.

- **Staffing:** The cost of hiring and training the employee who has left along with the hiring and training of the new staff member;
- **Vacancy time:** The cost of lowered productivity due to the position not being filled and awaiting the entry of a new member of staff; and
- **Training:** The cost of training the new employee to the productivity level of the departed staff member.

According to CIPD (2014), another cost that could be accounted for is the administration of the resignation, and while this may be small, still figures into the total cost.
3.3: Loss of knowledge and skills

As discussed above, there are many monetary losses that are incurred by a company when employees leave, but this is not the only cost. Another cost that is also lost is one that does not have a monetary value, and is one of experience, knowledge and skills. “Lost knowledge means the decreased capacity for effective action or decision making in a specific organizational context” (DeLong, 2004).

According to an article by Lesser and Prusak (2001), employees who decide to leave a company, or who are about to leave a company, are usually those with the most knowledge of the business itself. Furthermore, the departure of these employees can also have an impact on social relationships within the business itself. This impact can have a negative effect on trust; it can also have an impact on the time it takes other employees to gather the knowledge from the person leaving.

Companies also need to investigate their voluntary leave/redundancy programs. These can have a major negative effect on knowledge preservation as it has been shown that it is usually the top employees who avail of such programs, and thus leave the business along with their knowledge and skills in the process.

Another form of turnover, which is not often mentioned, is retirement, and losing employees through retirement can have the exact same impact as losing employees in any other way. In some cases, retirement can be a greater loss to the business than any other form of attrition. This is because people who have reached retirement age have gathered a vast amount of knowledge and experience compared to the rest of the workforce. These people are quite often mentors to younger employees, helping them grow and learn, and also nurturing them. This problem is exacerbated when companies do not realize the specific knowledge that these employees have, and do not enact a way in which this knowledge can be transferred to other employees before the departure of
the retiree. Arnone (2006) further supports this finding, stating that the loss of these employees can cause a talent gap in the company’s knowledge when the retiree leaves.

3.4: Lower morale and increased pressure on remaining staff

Upon the departure of staff from a business, the morale of the remaining staff members can be affected. Concurrent to this, the pressure placed on staff can increase as the workload is spread out. This increased workload can last as long as it takes to replace the departed staff member, if the staff member is, in fact, replaced, as companies may not wish to replace staff as a cost-saving measure. Some companies may see an increase in profits from this, which is a positive for the company, but it may also cause staff members to “burn out”, lower morale, and cause more staff members to leave demanding jobs (Nikravin and Frauenheim, 2014).

This change in dynamic in the workplace can cause employees’ attitudes towards the company to become negative. According to a study carried out by the Loyalty Institute, these employees then see their benefits packages with less enthusiasm, become less productive and often only produce the minimum amount of work required (HR Magazine, 2001).

3.5: Benefits of turnover

Morris and Hodgins (2000) maintain that turnover is not always negative and can sometimes have a positive outcome. They state that turnover in some limited cases can have a positive outcome for the companies involved, but reiterate that for most companies, the outcome is mostly negative. Further to this, Evans (2001) states that turnover in some cases can have a positive effect as it helps bring change through natural wastage, which would have been a difficult task to implement beforehand.
3.6: Opportunities to cut staff costing

Top employees in a company tend to be on the higher end of the salary scale, due in part to helping them get to the position in the first place and also keeping them there. However, when these staff members leave the company, an opportunity for the company to be more economical and cut staff costs presents itself. This can be achieved in several ways (McKew, 2015):

- Hiring externally but offering a lower wage;
- Promoting internally but offering a lower wage;
- Spreading the workload among other staff and offer a small increase in their salaries; and
- Spreading the workload among other staff and offering no increase in salary.

Krell (2009) suggests that companies should always have a plan to not replace employees in most situations; rather, HR managers should work with line managers to ensure the workload is spread evenly among the remaining staff and that no one person’s workload becomes too heavy. To ensure success after an employee’s departure, the HR managers and line managers should discuss and address the issues they face, such as workload, burnout, stress and productivity.

3.7: Characteristics of a high turnover environment

3.7.1: Lack of communication

An environment where poor employee communication persists can have a negative effect on the workplace. A study of 2,300 workers conducted by Insidedge (2002, cited in Burton, 2006) found that 80% of workers believed that how their employers
communicated with them played a large part in their decision whether or not to stay employed with that company. Over 30% of those workers surveyed said that communication was a major factor in deciding whether they stayed employed with their company. These results show that employees want to work in businesses that communicate, businesses that listen to their employees and talk to their employees.

The study went on to classify three different types of employees: leapers, lookers and lifers.

Leapers: A class of employee that will more than likely leave the company within the next three years.

Lookers: This group is unsure if they want to leave within the next three years.

Lifers: These employees are more likely to stay with the business for more than three years.

A further study was carried out looking into these three types employees and how communication affected the retention for each class of employees.

**Table 1: Effect of Communication on Retention Rate.**

<table>
<thead>
<tr>
<th>Types</th>
<th>Believed employers communicated well</th>
<th>Believed employers communicated poorly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Leapers</td>
<td>45%</td>
<td>55%</td>
</tr>
<tr>
<td>Job Lookers</td>
<td>61%</td>
<td>35%</td>
</tr>
<tr>
<td>Job Lifers</td>
<td>79%</td>
<td>21%</td>
</tr>
</tbody>
</table>

In the survey carried out by Insidedge (2002, cited in Burton, 2006), the results showed that trust and communication were directly linked. It found that employees were more likely to stay with a company and trust it, if management communicated effectively. The survey also found that 91% of respondents expressed that a key factor in gaining their trust was communication. Burton (2006), the author of the article, also expressed that he believed that having an open door policy, sharing information via email or newsletter and small group meetings were effective ways in building trust.

3.7.2: Employee behaviour changes
Managers can do quite a lot to detect signs of employee behaviour changes early on. By being aware of employees and the workplace, managers can detect the early warning signs that an employee may be planning to leave. However, these warning signs can be missed by the manager, which can leave feelings festering among employees that are not addressed by the manager.

Messmer (2000) looked at high turnover environments and noted that there were signs that could be missed by all the right people that would eventually lead to another employee departing the business.

The first sign is when employees show dissatisfaction in their work. These people are usually the most highly self-motivated people, always offering up new ideas and showing less enthusiasm in their work. These employees previously had bubbly personalities, but are now showing changes in their moods and are prone to spreading negative comments about the company.

The second sign is when an employee displays behaviours that management would not usually associate with that person. These employees can hide their dissatisfaction but it
can be much harder for them to conceal their lack of engagement from management. The author notes that these behaviours usually manifest when the employee has already committed to leaving the company. A sign that this is occurring can be when a usually active member of the team takes a step back within the team as a whole and decides to work independently. This distancing from other employees is the first step in the employee retracting from the company.

3.7.3: Bad management

Companies have many different styles of management, depending on the company itself and the specific industry, and management style can have a direct effect on an employee’s decision to stay or leave.

Research was carried out on employees who had left their jobs; through a survey, they were asked what they expected from management and what they actually received from management.

**Table 2: Expectation versus Reality of Employees.**

<table>
<thead>
<tr>
<th>What the employees expected from management</th>
<th>What the employees had actually received from management</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Constructive feedback</td>
<td>• Managers were unapproachable</td>
</tr>
<tr>
<td>• Respect and loyalty</td>
<td>• Managers took no notice of the employees</td>
</tr>
<tr>
<td>• Fair performance assessment</td>
<td>• Irregular assessments and favouritism shown towards</td>
</tr>
<tr>
<td>• Challenging tasks</td>
<td>certain employees</td>
</tr>
<tr>
<td>• Management support</td>
<td>• No consultation opportunities</td>
</tr>
</tbody>
</table>

A theory was put forward by Buckingham (2000), stating that employees choose to leave not because of the companies they work for, but rather for the people they work under. This theory is further supported by Bevan’s results, indicating that an employee’s decision to stay or leave a company is directly influenced by the actions and decisions that the managers he or she comes into contact with. This means that employees who prefer certain styles of management are more likely to stay when their manager portrays those types of characteristics and more likely to leave when a manager does not portray their preferred characteristics.

3.7.4: Workplace stress

“Work-related stress occurs when there is a mismatch between the demands of the job and the resources and capabilities of the individual worker to meet those demands” (Blauf, Kenyon and Lekhi, 2007, p. 4).

Work-related stress has a major effect on companies as it is directly related to performance issues, burnout, job dissatisfaction and turnover. This is backed up by a survey carried out by the American Psychological Association (2007, cited in Avey, Luthans and Jensen, 2009). They surveyed employees and found that 52% had left their current job or looked for a new job because of workplace stress. Mayer (2001) lists the following as possible issues that can lead workplace stress:

- Employees working more hours than usual while not using their holiday entitlements;
- When a company decides to downsize, reorganize or let employees go, this leads to an increase in uncertainty and workloads for employees;
- Employees who feel like they have no self-control over their careers;
- A company culture that allows rewards to be less than the effort contributed by the employees;
• A negative working environment and isolation in the workplace insolation due to no support from colleagues;
• Too many responsibilities for the employee who may not have the adequate resources; and
• Unsafe working conditions.

A study carried out by Saratoga (2008, cited in Branham, 2012) found that 20–50% of employees have experienced workplace stress and, in turn, this will have an effect on productivity, as well as increase the chances of the employee leaving the company.

According to Blanchflower (2014), many managers cannot comprehend workplace stress, as they cannot discern the difference between stress and pressure. Pressure is often used as a tool to motivate staff, but when too much pressure is placed on a member of staff, this pressure quickly turns into stress, which managers find difficult to differentiate. This lack of differentiation can lead to lower productivity, lowered job satisfaction and, thus, high turnover rates.

3.8: Factors effecting employee retention

Employee retention can be defined as the “effort by an employer to keep desirable workers in order to meet the business objectives by keeping the right people on the right jobs” (Frank, Finnegan and Taylor, 2004).

By holding onto its best employees, a company can ensure high productivity and, accordingly, better profits. Gberevbie (2010) argues that if companies implement employee retention plans, employees will remain with the company and work towards the company’s organizational goals.
“It is becoming more essential to secure and manage competent human resource as the most valuable resource of any organisation, because of the need for effective and efficient delivery of goods and services by organisations” (Olowu and Adamolekun 2010, cited in Das and Baruah, 2013, p.255).

Walker (2001) lists seven factors that employers can use to enhance retention. These are:
  - Compensation and appreciation of the performed work;
  - Provision of challenging work;
  - Chances of promotion and training;
  - Invitational atmosphere within the organization;
  - Positive relationships with colleagues;
  - A healthy balance between the professional and personal life; and
  - Good communication.

Similarly, an article by Das and Baruah (2013) also supports these points, concluding that if the factors listed below exist in an organization, then the likelihood of staff leaving will be reduced. Notably, Baruah’s factors are not dissimilar to those listed by Walker, which include:

  - Work environment;
  - Training and development;
  - Leadership and employee retention;
  - Promotion and opportunity for growth;
  - Compensation and rewards;
  - Participation in decision making;
  - Work-life balance; and
  - Job satisfaction.
Kehr (2004) suggests that all these points boil down to one thing – employee engagement. Das and Baruah (2013) suggest that not only will having these factors present in an organization help increase retention, but they will also help attract new employees to the business.

3.8.1: Work environment

The work environment can include many different factors depending on the particular job and the specific industry where the work is performed. Lee, Back and Chan (2015) list some common factors as follows:

- Work schedules;
- Reporting times;
- Nature of supervisors;
- Nature of work; and
- Work flexibility

Organisations which have generous human resource policies, have a very good chance to satisfy and retain employees by providing them an appropriate level of privacy and sound control on work environment which enhances the motivation levels to commit with the organisation for the long term (Wells and Thelen 2005, cited in Das and Baruah, 2013, p. 137).

Kokt and Ramarumo (2015) suggest that challenging work conditions can cause increased levels of stress and burnout, which can lead to employees departing the business or industry. In contrast, a positive work environment can cause increased job satisfaction within the organization, and as previously stated, increased job satisfaction leads to increased levels of retention. Positive work environments also cause employees
to become more motivated and productive. The retail industry has abnormal work hours compared to most industries, with odd shift patterns, weekend work, and late night and night shifts. According to Timothy and Teye (2009), work environments should promote and empower employees, as well as allow “them to meld personal and work relationships and accommodate special needs” (Timothy and Teye, 2009, p. 33).

3.8.2: Training and development

Poulston (2008) states that an organization that provides inadequate training and development options to its employees will expose itself to increased staff turnover, lower quality standards and also lower profits. This is because training and development directly affect job satisfaction and commitment to the organization. According to Govaerts et al. (2011), learning and development have been shown to be important business strategies in terms of reducing turnover. Lashley and Best (2002) emphasize the need to adequately train new staff members as this increases the new employees’ comfort in their new work environment, while reducing their chances of becoming frustrated. Costen and Salazar’s (2011) research has shown that employees who are given the chance to develop new skills through training and development programs have increased levels of job satisfaction; as a result and as stated previously, increased levels of job satisfaction leads to increased levels of retention within an organization. Garg and Rastongi (2006) stated in their research that in today’s competitive environment, feedback between employees and businesses is very important, because the more knowledgeable the employees become, the better able they will be to perform in the global market.

Adequate training is not only positive for the employee but also for the business as a whole. Dhār (2015) states that training employees improves the employees’ output,
thus increasing the quality of the service, which improves both the employees and the organization.

“Proper innovation and assimilation of knowledge is essential for the survival in any work environment thus knowledge is the most expensive asset of any organisation” (Handy, cited in Das and Baruah, 2013)

3.8.3: Supervisor and subordinate relationship

To an employee, the most important relationship they have in the workplace is their relationship with their supervisor (Taylor, 2002). According to Taylor, this relationship is very important because it determines how happy and satisfied the employee is with their workplace, job, and day-to-day workplace experience, as well as the quality of their career development prospects. In an article by Paille, Grima and Bernardeau (2013), the authors suggest that a strong superior-subordinate relationship can increase the trust within that relationship. They also suggest that perceived support from supervisors can increase the probability that an employee will stay with the business. Whereas a non-existent or weak relationship between the supervisor and subordinate can actually increase the probability that the employee will leave the business.

In conclusion, many employees have a preferred leadership style, and this preferred leadership style actually has an effect on the employee and their commitment to the business and job satisfaction (Hanasyaha et al., 2009)

3.8.4: Career development

“Career development involves creating opportunity for promotion within an organisation by providing opportunity for training and skills development that allows employees to improve their employability in the market” (Meyer and Smith, cited in Das and Baruah, 2013).
Alongside job satisfaction lies career satisfaction. Career satisfaction varies slightly from job satisfaction, as career satisfaction relates to career development and succession. Career development ensures that employees reach their full potential and have maximum job satisfaction. According to Das and Baruah (2013), employees perform better when they perceive opportunities for growth and development. Furthermore, a study by Kraimer et al. (2011) states that organizational support for career development has been shown to actually reduce employees voluntarily leaving their positions. Career advancement plans and internal promotion are methods of keeping employees motivated (Prince, 2005).

3.8.5: Communication
As stated previously, employees really care about how their employers communicate with them, and this is directly linked to their decision to stay or leave the company. Employers can communicate with their employees in many ways, such as staff briefs, open door policies, newsletters and written material. Jones (2008) states that the most impactful method of communication with employees is through regular staff briefs and newsletters have actually had the most impact on employee retention. Das and Baruah (2013) assert that when a reasonable level of communication exists between employees and employers, the employees feel as though they are involved in the decision-making within the organization. It also makes employees more in tune with the organizational strategy and helps the business work towards that focus.

Communication and involvement in decision-making also helps create a sense of belonging among employees, which in turn makes for a pleasant working environment, thereby contributing to a positive employee-employer relationship. A lack of communication can contribute to employees feeling disconnected from the business, which can lead to increased turnover levels (Noah, 2008)
3.8.6: Benefits and rewards

“Reward system consists of explicit policies practices and procedures which are organized and managed as a whole” (Armstrong, 2008, p. 133).

Armstrong (2008, p. 133) remarks that rewarding employees makes them feel appreciated and valued by the business. Rewards can have a major stake in retention, because in addition to making them feel wanted, they also increase staff motivation, which in turn leads to greater job satisfaction, and as stated before, higher retention rates (Jehanzeb et al., 2012). To ensure that a rewards program is successful, companies need to understand the degree to which rewards satisfy people, what will motivate them, and how to engage them in the incentive program. Rewards give employees the impression that they are being given something they can be proud of, and this increases the employees’ loyalty to the business (Silbert, cited in Das and Baruah, 2013).

Benefits also play an important role in meeting goals and objectives, retaining good employees, and also helping to attract new employees. A study conducted by Hung Tsai, Don Yu and Yi Fu (2005) concluded that employee benefit programs could help a company maximize its productivity, thereby reducing labour costs, which can result in significant savings for the company.

3.9: Conclusion

The retail industry has one of the highest rates of turnover compared to other industries. Factors contributing to this are low wages, entry level jobs, unusual working hours, seasonal effects on employment and hours, and work-life balance conflicts. A high turnover rate is not desirable to an employer as this can have a significant impact on the business’ costs, see a loss of experience from the business, and increase the number of employees needed to train the new staff members, which pulls them away from their actual role. High staff turnover can have a negative impact on the morale of
the remaining staff, thereby leading to a negative workplace environment, which eventually causes staff members to leave the business.

However, there are ways that organizations can ensure high retention rates and combat staff turnover. By simply communicating better with staff, having open door policies and greater supervisor-subordinate relationships, the workplace environment can become a positive place where people want to work and stay. The company can also create reward programs that will incentivize employees to help the company reach its strategic goals. By acknowledging the employees’ hard work and making them feel appreciated, the likelihood that they will stay with the business will be increased.
Chapter 4: Data Analysis and Findings

In this chapter, the researcher will critically analyse the two sets of results obtained during this research project from the survey and the semi-structured interviews. The results of the survey will be presented first as these will help determine what questions to ask in the semi-structured interviews. The results of the semi-structured interviews will then follow and more concrete conclusions will be drawn. The researcher set out to obtain 40 respondents for the survey, which was achieved quite easily and quickly. Thanks to the Google Forms survey package, all graphs and pie charts are already pre-constructed by the package, and these graphs are used below.

The survey successfully gathered a wide range of data for the researcher to explore. This collection of data will help in drawing conclusions on the underlying problems that may lead to the historically high turnover rate of employees in the retail industry.

4.1: Question 1

Question 1 of the survey was age. Though stated in the start of the survey that it was anonymous and could not be linked to the person, only 34 respondents out of 40 answered this question, with one person simply stating that they were "over 21". This “over 21” response will be excluded from the results. With this response excluded, the response count for this question is 33.

From that data collected, the average age of the respondents was 28.8 years old.
Figure 1: Breakdown of ages of respondents

The age breakdown of the respondents from the survey, as shown above, is very important to the researcher, as it is vital that the researcher knows the age ranges of the participants. The survey itself asked for the person’s exact age; only after the survey was completed did the researcher manually put all the respondents’ individual ages into age ranges. This may be the cause of the lower response rate for this question as people are known to be quite self-conscious about their age. This may also be why not all of the respondents answered this question on the survey. If the survey was to be repeated, the researcher recommends using age ranges rather than exact age as this may see an increase in age responses.
Table 3: Age Ranges, Responses and Percentage of Age Range to Total Data Set.

<table>
<thead>
<tr>
<th>Age range</th>
<th>Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-23 years</td>
<td>11</td>
<td>33%</td>
</tr>
<tr>
<td>24-29 years</td>
<td>10</td>
<td>30%</td>
</tr>
<tr>
<td>30-35 years</td>
<td>7</td>
<td>21%</td>
</tr>
<tr>
<td>36-40 years</td>
<td>2</td>
<td>6%</td>
</tr>
<tr>
<td>41 years and</td>
<td>3</td>
<td>9%</td>
</tr>
<tr>
<td>above</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The data clearly shows that most of the respondents are young people, with 33% in the age range of 18-23 years old. For many of these respondents, their job may not be one they consider a career as it might be a job they took right after finishing school, or as a part-time job during college. The next highest age range was 24-29 years old. For these respondents, this could be their first job after finishing college, or the start of their career in the retail industry. The next two sets of respondents are the 36-40 year olds, and those 41 years old and above. These two groups make up 15% of the total respondents and would be considering the retail industry their life careers.

4.2: Gender

The second question of the survey identified the gender of the respondents. This question received 40 out of 40 responses. The “other” option was included so as not to alienate anybody wishing to take this survey. The aim of good research is to have a balanced opinion between men and women, as this is more accurate than research with a gender imbalance. This even split between the genders is also a more accurate representation of general society as well. In this survey, the results were 55% female,
45% male, and 0% other. These results are an accurate representation of general society.

Figure 2: Breakdown of respondents by gender

4.3: Question 3: Length of time in current position

Question 3 asked respondents how long they have been in their current positions in years and months. This question received 40 responses out of 40. In order to make the responses work for analysis within Microsoft Excel, the researcher converted all months into decimal places by dividing the number of months by 12 (number of months in a year), and then adding this to the years. For example, if a respondent said they worked 2-1/2 years, this would be taken as 2 years and 6 months. The 6 months would then be divided by 12 to equal 0.5; therefore, Excel would then calculate the result as 2.5 years.
Upon calculation, the average length of service for the respondents was 4.17 years or 4 years and 2 months. The shortest amount of time was 6 weeks and the longest was 16 years.

4.4: Question 4: Positions

Question four of the survey was to determine the position of each respondent. This was done to examine the number of entry level, supervisory and managerial positions among the respondents. In total, 40 out 40 respondents answered this question.

![Figure 3: Breakdown by position level](image)

The results show that 60% of the respondents were in an entry-level position, 10% were in a supervisory position, and the remaining 30% were in a managerial position.

4.5: Question 5: Hourly pay/salary

Question 5 asked the respondents whether their hourly rate of pay or their salary had any effect on their decision to stay with their employer.
Figure 4: Effect of hourly pay/salary on decision to stay

In the above bar graph, 1 indicates strongly agree, while 5 indicates strongly disagree. As can be seen, 23 respondents (or 57.5%) said that their hourly rate of pay or salary has an effect on their decision to stay with their employer, while 25% of the respondents were neutral, and 17.5% said it had no effect on their decision to stay with their employer.

4.6: Question 6: Corporate social responsibility

Question 6 looked at the respondents’ views on their company’s corporate social responsibility (CSR) and their charity partnerships, and how this affects the respondents’ pride in their jobs. All 40 of the respondents answered this question.
In the above bar graph, 1 indicates strongly agree, while 5 indicates strongly disagree. Of the respondents, 22 or 55% of the respondents said that their company’s CSR project made them proud of their job, while 25% were neutral and 20% said it did not make them proud of their job.

4.7: Question 7: Progression opportunities

Question 7 looked at the respondents’ potential to progress within their roles. As previously discussed, the opportunity to progress in one’s career is seen as highly pivotal in a person's decision to stay with a company.
In the above bar graph, 1 indicates strongly agree, while 5 indicates strongly disagree. Of the respondents, 77.5% said that an attractive feature of their employment was their employer’s progression opportunities, while 10% of the respondents were neutral, and 12.5% said that it was not an attractive feature of employment.

4.8: Question 8: Store management support

This question was designed to see if employees feel supported by their store management team. This is an important question since, as previously discussed, the supervisor-subordinate relationship is the most important work-place relationship in the eyes of the subordinate. This question received 40 out of 40 responses.
Figure 7: Employees’ perceptions of management support

In the above bar graph, 1 indicates strongly agree, while 5 indicates strongly disagree. Among the respondents, 60% said that they felt supported by the store management team, 17.5% felt neutral and 22.5% felt unsupported by the store management team.

4.9: Question 9: Company communication

Effective communication is a vital part of employee retention, and particularly, whether employees feel like the company is listening to their concerns. This question asked the respondents if it felt as though their companies listened to them. All 40 respondents answered this question.
In the above bar graph, 1 indicates strongly agree, while 5 indicates strongly disagree. The responses to this question were more concentrated around the centre answers (agree, neutral and disagree), with only a small percentage choosing strongly agree and strongly disagree at 12.5% and 5%, respectively. For the remaining respondents, 35% agreed that they felt listened to, 27.5% neither agreed nor disagreed, and 20% said they disagreed with this statement.

4.10: Question 10: Do you feel like you are treated fairly?

Consistency in the workplace is key to a positive work environment. As pointed out in the literature review, incidences of favouritism can lead to negative work environments. The researcher asked the respondents if they feel like they were treated fairly in the workplace.
In the above bar graph, 1 indicates strongly agree, while 5 indicates strongly disagree. Nearly half of those surveyed chose option 2, agree, at 47.5%, and 22.5% chose option 1, strongly agree, giving two positive answers for this question from 70% of the total number of respondents. The neutral (neither agree nor disagree) answer was selected by 17.5% of the respondents. The two negative answers comprised 12.5% of the vote: 7.5% for option 4, disagree; and 5% for option 5, strongly disagree.

4.11: Question 11: “I like working for my employer”
Question 11 is quite simple and asked the respondents whether or not they actually liked working for their employer. While quite a simple question, it reveals a lot about the person’s mindset in their current employment.
In the above bar graph, 1 indicates strongly agree, while 5 indicates strongly disagree. The results for this question were quite similar to the last question. The two positive answers comprised 70% of the vote. The neutral answer accounted for 20%, leaving the negative answers with 10% and 5%, respectively.

4.12: Question 12: Pride

This question focused on pride, and whether the employee felt proud to say where he or she works. Having pride in one’s work means that an employee will be more likely to stay in that job as it makes the individual happy.
Figure 11: Percentage of employees who feel proud about working for their employer

In the above bar graph, 1 indicates strongly agree, while 5 indicates strongly disagree. For this question, 40% of the respondents chose the neutral answer, neither agree nor disagree. The next highest answers were “agree” with 35% and “strongly agree” with 15%. Thus, the two positive results comprised 50% of the total respondents. The two negative answers received 10% in total, with an even split of 5% each.

4.13: Question 13: Job satisfaction

The final question of the survey asked the respondents to rate their job satisfaction on a scale of 1 to 10. It had been shown several times in the above literature review that job satisfaction levels are directly related to retention levels; therefore, this is one of the most important questions on the survey.
This question asked retail employees to self-rate their job satisfaction on a scale of 1 to 10, with 1 being the lowest and 10 being the highest. At 20%, option 6 received the most votes from 8 respondents. The next most popular choices were options 7 and 8 with 17.5% each. These last three options were on the positive side of the scale, whereas the fourth highest option slid right down the scale to option 3 with 15%. Option 9 was the fifth highest, which was chosen by 10% of the respondents. The top spot, option 10, was selected by 7.5% of the respondents, as was option 5. Options 2 and 4 shared last place, with 2.5% of the respondents choosing either of these.

4.14: Interview 1

With the results of the survey, the semi-structured interviews could now take place. The structured part of the interview asked the interviewees the same questions as found on the survey as the interviewees were not sent the survey. Based on their answers, the researcher delved more deeply into certain topics.
The first interviewee was a female store manager, 50 years of age, who had been working in her company for 11 years. During the interview, when asked about salary and benefits and if these had any effect on her desire to stay with her company, the interviewee responded, "At my age, you stop worrying about the money, you just want to be happy". In the literature review, the researcher had not seen the theme of age and security; therefore, this area was explored in greater depth. The interviewee expressed that all of her children were now grown and employed, so they were no longer financially dependent on her. Consequently, how much she was being paid was not as important to her as when her children were growing up. On the positive side, her schedule now allows her to spend more time with her family.

4.15: Interview 2

Interviewee 2 was a female in her late twenties. This person was chosen because she had worked in the retail industry for six years, then left the industry to work in a customer care call centre, but ultimately decided to return to her previous employer. During the interview when asked about career development, the interviewee expressed that this was one of the main reasons she decided to return to her old employer. In her retail job, she was a supervisor and was happy with her hourly rate of pay. However, in her call centre position, she could see no room to grow or build a career. Furthermore, she expressed that she had to work one week of day shifts followed by one week of night shifts. This shift pattern led to ill health, which ultimately forced her to leave that job. She then returned to her previous job as a supervisor and was placed on the store’s management development program, which she progressed through and is now on the store management team.
4.16: Interview 3

Interviewee 3 was a 27-year-old male who had been in a particular retail business for six years before deciding to depart for a different retailer. After a short time with the alternate retailer, he decided to return to the original retailer. During the interview, the interviewee was asked about the career progression options available to him and if he considered this an attractive feature of employment. The interviewee affirmed that it was, but added that it depended on the store management team. The interviewee expressed that he felt stagnated in the store he was in and could not progress, which is why he decided to leave the company for a new one with a better development program. When he started in the new business, he noticed that the development program was not much better, and that the benefits and rate of pay at his old job were more attractive than at his new job.

The interviewee described how he reached out to his old company in an effort to regain employment with them. The company allowed him to rejoin, but in a different store. The interviewee described how this new store had a very different working environment than his original placement. When asked whether he felt supported by the store management team, he expressed how the new management team were much more supportive than in his last store. In this new store, the interviewee was able to progress his career and was eventually promoted to the store management team.

4.17: Interview 4

Interview 4 was a 30-year-old male who had been working for the same company for 15 years. Due to his long length of service, the researcher deviated from the questions that were already prepared. Instead, the interviewee was asked why, in his opinion, he had stayed with the same company for so long. The interviewee described a number of reasons, starting with location; he stated that work was very easy to get to from his
In addition, he felt that he was supported very well in his store and gained a lot of experience and knowledge while there. Development played a major part in his reasons for staying with the company; he expressed how he developed from a sales associate to a deputy general manager.

The interviewee also expressed that his salary played a major part in his reason for staying. He stated that he studied human resources (HR) in college, and once he had completed his degree and started looking for a job, he noticed that his yearly salary would be significantly less than he was currently earning. The interviewee went on to speak about how, as he grew older and progressed through the company, money became more and more important, as he started saving to get married and buy a house. He expressed that support, development, and salary/benefits were the main reasons for staying with the company for so long.
Chapter 5: Discussion

In this chapter, the researcher will pull all the data together and discuss each part and its cause and effect. Then, referring back to the literature that has been reviewed, the findings will be discussed.

5.1: Discussion of the survey and interview results

The age range of the survey participants was quite young, with 63% under the age of 30. The researcher believes that this is a very accurate representation of the current workforce in the Irish retail industry.

As stated in Chapter 4, the retail industry often attracts younger members of the workforce, as it is their first job out of school or a part-time job during their third-level education. Younger members of the workforce are attracted to these entry-level positions as they often require little to no experience or qualifications. By this very nature, the retail industry will have a natural attrition rate as its workforce gains more experience and either moves into different disciplines, or graduates college and enters into degree-relevant employment. Unfortunately, having a good corporate culture and sound policy is not always enough to prevent this; it is simply the nature of the beast.

The gender breakdown of the participants was 55% female and 45% male. This is quite accurate for the population as a whole, and thus helps in the accuracy and validity of the study. Due to this near 50:50 ratio, the researcher decided to interview two females and two males so that the results would be consistent and balanced.

The next question examined the length of time the participants were in the jobs. The answers varied widely, with the shortest time in the job just two weeks for one
respondent and 16 years for another. The average length of service was four years and two months. As stated earlier, generational differences can play a large part in this wide variation. In Chapter 1, it was mentioned that older generations tend to stay in their jobs out of fear, whereas for the new millennial generation, job-hopping is the norm. Millennials tend to change jobs when they are not happy or simply want a change or to take time off for travel.

How can retailers combat this? If the retailer is a multinational organization, offering worldwide transfers throughout any part of the business could help keep those wishing to travel. Of course, they would have to be replaced, but the knowledge, experience and investment will be kept within the company. Also, being able to transfer locally may offer a solution to those staff who simply want a change. In addition, this researcher believes that a strong training and development program can be a powerful motivational tool, offering key talent the opportunity to reach their full potential. This means the when younger members of staff finish their education, they will see the company as a viable career path, making them more likely to stay in the business.

In the survey, 57.5% of the respondents said that their hourly rate of pay or salary had an effect on their decision to stay with their current employer (25% strongly agreed, 32.5% agreed). Only 17% of the respondents said that their salary had no effect on their decision to stay with their employer (7.5% disagreed, 10% strongly disagreed), while the remaining 25% of respondents neither agreed nor disagreed with the statement. The researcher expected more people to agree with this statement, the main reason being that retail jobs usually pay the minimum wage. This is why the researcher explored this aspect slightly further with the interviewees. Much like the survey, two very different opinions were given by the interviewees, but both dealt with the same theme of the quality of life. Interviewee 1 expressed how she no longer had dependent children and, therefore, did not have to worry about money as much. Instead, she now
placed more value on the free time she had to spend with her family. In contrast, interviewee 4 expressed how she did not enter a career-relevant job as she would have earned less money, which would have slowed her plan of buying a house, getting married and starting a family. These two interviewees are obviously in two very different stages of their lives, and each wants some very different things out of their employers.

An employer could hold onto these two talents by offering a competitive salary compared to the current market, as well as attractive holiday benefits and flexible rostering. This will help ensure that employees are catered for from the start of their careers right up to retirement.

As often expressed in the literature, having opportunities to progress in a company plays a major part in staff retention. Unsurprisingly, the results of the survey agreed with this finding. Only a very small percentage, 12.5% of the respondents, said that career development had no effect on their decision to stay with their employer. The researcher believes that these people could be quite happy in their roles and not want to progress, or are students who do not see a career in retail, but rather are using it as a part-time job to help them afford college.

As with career development, good communication was repeatedly cited in the literature as a major reason for low turnover rates. Support and communication go hand in hand for strong supervisor-subordinate relationships. The survey asked two related questions: if the respondent felt supported by their store management team, and if the respondent felt like their employer listened to them. As stated in the literature, the most important relationship in the workplace is the supervisor-subordinate relationship; the stronger this relationship, the more motivated and the more satisfied the subordinate becomes.
These themes were also brought up in all four interviews. Each interviewee expressed how the support structure in a store could have a major impact on their job satisfaction. Interviewee 3 expressed how he felt stagnated in his career in the original store he was in, but upon returning to the company after his departure, he found a different atmosphere in the new store. The interviewee expressed how he felt no career support in the original store. Conversely, the second store offered the interviewee much more support and career development, which eventually enabled him to progress onto the store management team. An inconsistency between stores in the same company seems to be the problem in this case. Every store should offer the same environment to develop and build staff. To help ensure that each store is consistent across the chain, retail directors should offer comprehensive training programs for the store management team, with training in communication skills, relationship development, and developing others. Without appropriate training, the researcher believes there would be no way for first line managers to create a positive workplace environment, and support the development of their subordinates.

Both communication and development have been highlighted in the survey and interviews as major reasons why the respondents chose to stay in their jobs. However, while a majority of respondents said they felt supported by their store management team, fewer respondents felt like their company listened to them. Only 12.5% of the respondents strongly agreed and 35% of respondents agreed, while 25% of the respondents felt like their companies did not listen to them. This shows that there may be a disconnect between the store management teams and the head office of the business. Are the senior leadership teams of these businesses really listening to the staff in their stores? The researcher believes that companies could improve staff communication. It was discussed in Chapter 3 how team briefs and newsletters can
serve as effective and useful means of communication for staff, but what open lines of communication exist for staff to communicate with the senior leadership team?

The researcher believes that listening groups may be an effective solution to this issue. This would work by having a small group of staff in each store draw up a short meeting list of problems that have arisen in the store. The store management team can then review these problems and identify those that can be rectified locally; anything that cannot will be passed up to the next level of management until it falls into the hands of the right person. If at any stage during this escalation process, it is decided that a solution to the problem is not feasible, the person who decided it was unreasonable or unfeasible will draw up an explanation of why this is so and pass the problem back to the store where the problem originated. This will open lines of communication between staff and senior managers, while providing feedback from senior management to the staff members, which will make them feel like they are being listen to when explanations are provided. Also, frontline staff are often the ones who first encounter problems and can often see solutions for everyday problems. Giving them the chance to voice their opinion will not only increase communication and, thus, motivation, but it will also allow for operational flaws to be addressed, which could save the company money in the long run.

Having a positive workplace environment can lead to happy, motivated and successful staff, and treating staff fairly was a major theme appearing time and time again in the literature. When asked if they felt like they were treated fairly, a vast majority of the survey responses were positive, with 22.5% of the respondents strongly agreeing with the statement and 47.5% agreeing. Unsurprisingly, very few respondents, only 12.5%, answered negatively to the question. However, 17.5% of the respondents were neutral, which came as a surprise to the researcher who thought this figure would be lower. People with a negative workplace mentality can often spread their ideas quite quickly.
In this sense, there is the potential for the small 12.5\% of staff who answered negatively to spread their ideas to those with a neutral stance.

Furthermore, store management teams should always seek to be fair. The researcher believes that rigid policies should be in place to ensure transparency and fairness at all times. Store management teams should work on building relationships with those whom they perceive have a negative or neutral stance on this subject. Building the relationship will help strengthen the bond, but this will also result in the subordinate viewing the supervisor more positively, thereby increasing motivation and pride in one’s job. Evidence for this comes from interviewee 4, who received quite strong support in her career development and, consequently, thought very positively about the company. She stated that she had always been treated fairly throughout her career. This person has been with her employer for 15 years; while other factors might have contributed to her decision to stay, being treated fairly was a theme that she discussed in her interview. Taking a multi-pronged approach to achieving a lower staff turnover rate is key, as there is no one quick fix to mend the industry.

The next question asked on the survey was quite a simple one, but yet could reveal quite a lot of valuable information. The simple phrase, “I like working for my employer”, was put to the respondents. The two positive answers garnered 70\% of the vote, the exact same result as the question asking about fairness. However, this statement had slightly more respondents choosing the neutral answer with 20\%, as opposed to 17.5\% for the previous question; the two negative answers received 5\% each.

Could this nearly exact same spread of responses show a direct link between fairness and being happy in one’s job? While the researcher does not think the correlation in this case is causation, he believes it plays a major part.
Not too dissimilar was the question that asked whether the respondents were proud of their jobs. Although pride is slightly different as it can be self-generated, but it can also be nurtured through praise and appreciation by one’s managers. Taking deep pleasure and satisfaction in one’s work, and working towards and achieving goals can help to increase pride. Managers can help instil pride in their staff by encouraging them, praising them, and helping them to set achievable goals. Furthermore, team pride can also be increased by setting team goals and targets, and sharing the team’s success can help to increase pride throughout the entire store. Pride also leads to improved job satisfaction.

Job satisfaction was another factor asked on the survey. The respondents were asked to rate their job satisfaction on a scale of 1 to 10 with 10 being the highest. Of the respondents, 52.5% rated their job satisfaction as 7 or higher; 30% answered with levels of 4–6; and finally, 17.5% of the respondents chose 2–3, while none of the respondents chose 1 on the scale. Job satisfaction is the most important theme when it comes to deciding whether to stay or leave a job.

When one’s salary expectations, work-life balance, stress level and workplace environment are all positive, when one feels fairly treated, listened to and communicated with, and has the chance to develop, then the evidence points to one being satisfied with one’s work.

This is evident from the results of the survey, as the answers tended towards the higher end of the positive statements throughout the survey. This was also evident from the interviews, the themes of which are similar across all the interviews. Interviewee 1 talked about how she was supported in her career progression, paid enough to raise a family, and now had the flexibility to have a good work-life balance. Interviewee 2
expressed themes of support upon her return from another industry and through her progression to becoming part of the store management team.

Interviewee 3 left one retailer to go work for another retailer, as the support and environment in his store was not conducive to furthering his career. He eventually returned to the original retailer but to a different store where he felt more supported and was able to progress his career within that store. Interviewee 4 found that the support, salary, and career progression opportunities within her company had a major impact on her decision to remain with the company for 15 years. It allowed her the opportunity to pursue her career while enjoying a favourable work-life balance; unsurprisingly, she also expressed extremely high job satisfaction.

The same themes emerged from the survey and the interviews. The main themes that the researcher has identified as having the greatest effect on retention rates in the retail industry are: salary, communication (both between staff and managers); an environment of support within the store; and clear methods of progression within the company. All of these themes affect the overall theme of job satisfaction, which, in the researcher’s opinion, is the governing factor affecting turnover rates in the retail industry in Ireland.
Chapter 6: Conclusions and Recommendations

In this chapter, the results and discussion will be summarized and recommendations will be made on how managers and companies can help to improve the retention rate of staff in the retail industry.

The research itself has pointed out several factors that contribute to the high turnover rate of staff in the retail industry. Many of these issues are relevant to all retail chains, but some may be specific to only some retailers.

The research question was “Does corporate culture and policy have an effect on the turnover rate of staff in the retail industry in Ireland?” The researcher believes it does, thus proving that the hypothesis is true. The reasoning why will be detailed below.

6.1: Past literature review

For this dissertation, the researcher carried out a full and comprehensive review of literature relevant to this dissertation. The literature review revealed that this study was not only new and relevant research, but also revealed that HR practices within a company are completely responsible for the high turnover rates within the sector and for ensuring a good work-life balance as well. If the HR department within a company fails to or inadequately implements its functions, then the likelihood of having an extremely high turnover rate is inevitable.

From the literature study, the researcher has concluded that in order to keep turnover rates to a minimum, companies must have a highly effective HR team. Ensuring a highly functioning HR team will result in highly motivated and appreciated staff, which in turn
will help prevent employees from voluntarily departing from the company. The researcher believes that this is the only way that the turnover rate of staff can be effectively reduced (Deery, 2008).

6.2: Statistical data

Having an extremely high turnover rate can have a major impact on the finances of a company. The researcher found quite a range of literature that points to various costs incurred to replace staff, from 16% of a year's salary, right up to 200% of a year's salary. A CIPD survey completed in 2004 found that it costs approximately £4,800 to replace employees who leave a company. These costs are generated because of recruitment, selection, induction, training, and administrative costs. The researcher believes that these costs are more representative of the retail industry due to the fact that it is a job that does not require significant training or qualifications. With a high turnover rate, companies invest a lot of time and money replacing staff members. The same survey also stated that it costs approximately £7,000 to replace managers or other skilled personnel in a company.

These massive figures show why it so important to retain staff members in the company's workforce, as these costs can quite easily be reduced. (Atkinson and Williams, 2003)

6.2: Relevance to retailers

As stated above, the turnover rate of staff costs the employers a significant amount, but by following the recommendations in this research project, Irish retailers can increase their savings. Companies are continually redirecting resources away from other tasks and projects so that new employees can be recruited and trained. To achieve the organizational goals of the company, these new employees must be developed into
highly efficient and effective team members. Employees are more than just staff; they are an investment made by the company. The company invests significant amounts of time and money into the person; the people working for a company are an asset. To ensure that companies are productive, companies must invest the right resources in perfecting the skills of their employees (Blake, 2006).

In order to retain employees, companies must invest in the training and development of staff, offer attractive salaries or hourly wages, and have career development programs in place, so that staff members who choose to do so can advance their careers. While these activities require significant financial investment and resources, highly trained and motivated employees bring in greater returns for a company, thereby making it more profitable (Eisenberger et al., 2002).

6.3: Recommendations based on findings

In this section of the research, a summary of the findings will be deduced and concluded. It will also set out to determine if the research question has been properly answered. From the survey and the interviews that were conducted for this research project, it is concluded that salary, motivation and job satisfaction, and communication are the main factors that contribute to the high turnover rate of staff in the retail industry in Ireland.

This researcher aimed to find out how much of an effect corporate culture and policy have on the turnover rate of staff in the retail industry in Ireland, and to make recommendations to retailers on how they can improve their retention rates. The questionnaire and interviews provided very useful insights as to why the turnover rate is so high in the retail industry in Ireland. Several factors and themes presented themselves across both the survey and interviews, but it is concluded that the three main contributory factors are salary, job satisfaction, and communication.
6.3.1: Salary

From the survey, 57.5% of the respondents said that their hourly rate of pay or yearly salary had an effect on their decision to stay with their employer. This indicates that some companies are paying their staff a suitable wage for the work they are doing, but it also shows that 42.5% of the respondents believe they are not being paid what they feel is enough for the work they are doing. This means that those 42.5% of people could potentially leave their employer if a better job with an increased wage was offered to them. Translated into a single company, this means that said company can potentially lose just under half of its staff at any time due sub-standard pay rates.

The recommendation for the retail industry is to revisit staff pay and benefit packages. Oftentimes, all employees at the same level will be paid the same amount, no matter if one contributes more to the company than another. HR departments should consider redistributing pay between employees at the same level and give those who contribute more to the business slightly higher pay, or in other words, merit increases. This will then help increase the motivation of the person who receives the pay rise, and it will also give those who did not the determination to work harder to gain the monetary reward. Oftentimes, a bonus structure is only in place for managers. It is recommended that companies bring in a small bonus structure that rewards staff for achieving goals and objectives. With a fairer payment system, appropriate salary for work put in, and a bonus structure to help reward staff, employees will stay motivated and loyal to the company for longer periods of time then they would have previously. This will then help reduce the high turnover rate of staff in the Irish retail industry. (Clark, Kristensen and Westergård-Nielsen, 2009).
6.3.2: Motivation and job satisfaction

In the survey, a series of questions were asked in order to determine if staff in the retail industry were motivated, and they were also asked to rate their job satisfaction on a scale of 1 to 10. It was concluded that the majority felt under-motivated. Motivated employees are key for the company to achieve its operational goals; without motivated employees, the company will surely fail.

Employees and managers alike all need constant motivation. Having a good motivational structure will help employees work harder and more efficiently. Motivation is the key to success in the retail industry. It is tied to job satisfaction in many ways, and satisfied employees are happy employees, and happy employees give better customer service, which is crucial in the age of social media.

An astonishingly high number of respondents said that they find opportunities an attractive feature of employment. Career development and training are good motivators; this can clearly be seen from the survey results and the themes emerging from the interviews. All interviewees expressed that when they felt motivated within the job, it helped them progress through the company.

Feeling supported by the store management team was also mentioned in two of the interviews as well as in the survey. In the survey, 22.5% of the respondents felt like their store management team did not support them. Interviewee 4 expressed how she felt supported by her store management team and that was one of the reasons why she has stayed with her company for 15 years.

Several techniques have been suggested in the literature to help guide companies, such as those in the Irish retail industry, to improve staff motivation. One of these techniques is to adopt a new form of shift rotation, whereby shifts can easily be swapped between
staff. This means that they do not have to miss out on special occasions, which will contribute to maintaining a good work-life balance, and thus increase motivation and satisfaction.

Another technique that could be introduced is staff awards, such as rewarding hardworking staff members. Simply recognizing the hard work done by staff members keeps them motivated and also motivates others to achieve the same goals.

Lastly, companies can actively encourage participation in some aspects of their roles. For example, management can transfer some of the power to employees to lead small teams in small tasks and, in turn, give employees the ability to delegate within the team. Allowing staff members to make decisions in relation to the company and their job, however small, motivates them to continually look out for the company's best interests (Roos and Van Eeden, 2008)

6.3.3: Communication

In the survey, the respondents were asked, “Do you feel like you are listened to by your employer?”

Over half of the respondents either had a neutral stance or a negative stance to this question. Communication both from the employee to the employer and from the employer to the employee has repeatedly been shown to be crucial for both parties in order to motivate staff. From the literature review, it can be seen that the two simplest ways to communicate with staff is by using team briefs and newsletters. However, these only help the company communicate with their employees. The researcher recommends the use of listening groups whereby employees gather information that they feel is pertinent to the company, and which is then sent to their line manager. The line manager, in turn, will look after whatever is possible at that level, and if not, the
issue will be passed on to their manager, and so on and so forth until it lands in the hands of someone who is able to act on it. Once the issue has been dealt with, a communication is sent to the employees who raised the concern. If, for some reason, nothing can be done, then a communication is sent explaining why.

6.4: Recommendations for further study

This research project focused on the retail sector as a whole. It could be useful for specific stores/chains to carry out a similar study, but on just their own business as this will help highlight issues specific to their organization. As part of the study, businesses could also interview past employees to find out why they left, as well as suggest what the company could do to improve its attrition rate. These past employees could offer very useful insights into the company's practices and how they can be improved.

Also, as further study, generational effects on turnover rates for all industries could be examined. As the researcher was examining the literature, it was noted that different generations have different reasons for staying in or leaving jobs. Knowing this information could help guide employers in selecting the right generational fit for a specific role, and also help them create motivational practices to ensure that each generation is catered to.
Chapter 7: Reflections

Upon embarking on my master’s degree, I was quite nervous as never before in my education have I studied business studies in any capacity, not for any time in secondary level education, and for my undergraduate degree, I studied chemical and pharmaceutical science. So, starting a master’s degree in a new discipline seemed like quite a daunting but exciting challenge.

I initially had chosen a mix of modules in project management and in human resources, but these were to be taken in the second year of the master’s programme and I was delighted to hear that we could change the modules we had chosen when it came closer to actually taking them. Because I was completely inexperienced, having this freedom to choose really took the pressure off me as I could dive into the course and see which topics really peaked my interest.

When it finally came around to attending lectures, I was quite nervous because I became anxious. I was worried that I was way out of my depth. I kept thinking to myself, why did I pick a business studies-related course when my background was in science? But being the person I am, I steadied myself and entered the classroom.

To my surprise, I really enjoyed the lectures, more than I thought I would if I’m honest. To further settle my nerves, I wasn’t the only person in the class with a science background, nor was I the only person who felt out of their depth. By the sounds of things, everyone felt the same! This settled my nerves more than I thought it would.

So off we went into the world of business and my first look into this brand new, wide range of topics, and I loved it. From international business, to marketing, to project management, to self-development, all new topics to me, but I felt like they weren’t fully
new. From reading the news, to listening to the radio, for engaging with all forms of the media, I have heard snippets of this information before, so to my shock, everything wasn’t new.

As part of the course, we undertook a module called personal and professional development. In this module, we took various personality tests. I have always taken these tests with a pinch of salt, never fully believing them. But these tests seemed a bit more comprehensive than ones I had taken before. One of the tests we took as a class was the Myers Briggs Test. This test breaks your personality down to four letters, with each representing a characteristic of your personality. The result I was given form this test was ESFP, which stood for Extraverted, Sensing, Feeling and Perceiving. When I first took the test, the only personality trait that I would have agreed with would have been the extraverted trait, but as time went on, knowing the characteristics of the other traits that had come up in the test, I started noticing that I actually possessed these characteristics more and more. Now, being as sceptical as I had been, I thought, I’m only seeing these characteristics because I am aware of them. So, I read all of the other 16 different personality types that can result from the test, and armed with this knowledge, back out into the world I went looking for these characteristics in my personality, which I couldn’t find. So, I started taking more and more of the tests provided by our lecturer. Then, I began experimenting with them over time in the real world to see if they really fit, and for the most part, they did. Like I said, I do take these tests with a pinch of salt and know that mood, etc. can affect how you answer the questions when taking the tests, which can cause variations in the test results.

Continuing through the course, I realized that not everything I was learning I could apply to my work life. As a retail manager, my day-to-day duties didn’t rely on my knowledge of international business. However, there were some aspects of the course I
could apply in my work life straight away, especially what we had learned in our
marketing module.

In the second year of the course, we had elective modules. I originally chose these
modules in the first year of the course. The modules I chose were project management
tools and techniques and human resource management: performance and reward
management. I initially chose these modules because I thought they would help me in
my current job, but when we started studying project management in the first semester,
I realized I was really interested in the topic. Not only that, but I could apply the subject
matter in my work every day using the skills I had learned in the classroom.

After taking this module, I felt I was able to use the planning parts of the subject matter
to help me plan the tasks to be completed in the our daily jobs at work. Through this
module, I started to see tasks that had to be completed in my job as mini-projects, and
when I started to see them in a different light, I was able to apply what I had learned
about planning and control and use it to plan and control these “mini-projects” in my
role.

After seeing the success of implementing what I had learned in the project management
module, I decided to change my second elective to project management planning and
control. This meant that my MBA would be in project management, whereas before the
MBA would have been in general management.

Over the two years of the course, we had to take a module called research methods. This
module was intended to help us design and create our research topic for the
dissertation we would complete at the end of the two years. I initially had come up with
the idea of looking at the effect of corporate culture and policy on the attrition rate of
staff in the retail industry, specifically looking at the company I work for, TK Maxx, and
comparing the effect to another retailer. I put this suggestion forward to the lecturer of the module to which he suggested I just do the study on TK Maxx itself, as getting the information from another retailer may prove too difficult. So, I decided to study just TK Maxx.

When I started the study and began collecting data for the survey, I went into the TK Maxx store in St. Stephen’s Green in Dublin. I began to administer the survey, which I had been given permission to do from the HR business partner for Ireland and the Retail Operations Director for the Irish Region. However, the store manager at this location didn’t like some of the questions asked on the survey and told me that I couldn’t complete the survey in her store. She then contacted her district manager to say I couldn’t conduct the survey in her store. I then got a call from the HR business partner to confirm what I was doing. I sensed the company was getting nervous about me completing the survey and interviews within the stores and, consequently, I made the decision to change the scope of the dissertation to examine the whole retail industry rather than one specific chain. In this way, I could circumvent having to get approval for completing it and it meant I could then open the survey up to a lot more people and get a wider range of viewpoints.

Throughout the whole dissertation process, I gained a lot of knowledge and experience. From studying the literature, I learned quite a lot about people management, skills I would be able to use in my work life to help me progress my career. One of the major learnings that can be turned into practical use is the importance of the supervisor-subordinate relationship. I always knew it was an important relationship, but I never realized just how important. Upon reading the literature, I discovered just how much of an effect it could have. It has effects on the employees’ motivation levels, their stress levels, and also their job satisfaction. Knowing what I know now, I will certainly be applying the learnings from the article into my everyday work life to improve the
supervisor-subordinate relationships I have with my staff to increase their motivation, and thus help them have a better and more enjoyable work life while also getting more work done.

What I have also taken away is the importance of planning. Planning this dissertation around full-time work did seem quite daunting at the time; I didn't think I would be able to fit everything in. However, I was able to take two weeks off work to gather the data for the surveys, conduct the interviews, and write the dissertation. Without proper planning and time-setting, this body of work would not have been completed on time. When I had to change the dissertation topic, I was a bit concerned about completing it on time, but I just dedicated myself to the project. Thankfully, I was able to get the survey out to as many people as I could and get responses back pretty quickly. I did purposefully make the survey quite easy to complete, because I know at this time of year, there are a lot of surveys being passed around on social media and people have a tendency to ignore them.

I quite enjoyed making the survey and testing it out with friends to see if the questions made sense and the answers were applicable to the question. I'm glad I tested it on friends before administering it, as there were a few mistakes which would have caused the survey to go slightly astray.

Over all, I thoroughly enjoyed my time in DBS and seeing how practical the whole experience has been, from being able to apply what I have learned in my work life along with applying them in the class for projects, assignments and this dissertation. Having already put the skills I have learned to good use, I can now see how rewarding this master's programme has been for my professional development. I know they are skills that I will apply throughout my career.
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Appendices

Appendix A: Median Employee Turnover Rates

<table>
<thead>
<tr>
<th>Median Employee Turnover Rates</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Positions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Corporate</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>.com</td>
<td>18%</td>
<td>10%</td>
</tr>
<tr>
<td>Merchandising</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Executive</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Store Positions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>67%</td>
<td>51%</td>
</tr>
<tr>
<td>Part-Time</td>
<td>24%</td>
<td>27%</td>
</tr>
<tr>
<td>Full-Time</td>
<td>17%</td>
<td>18%</td>
</tr>
<tr>
<td>Asst. Store Managers</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>Store Managers</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>District Managers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>22%</td>
<td>17%</td>
</tr>
<tr>
<td>Distribution Center Positions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>Management</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix B: Retail Workers Survey
Retail workers survey

Please fill out the following survey truthfully and honestly. This survey is completely anonymous.

1. What age are you?

2. What sex are you?
   Mark only one oval:
   - [ ] Male
   - [ ] Female
   - [ ] Other:

3. How long have you worked in your current position?

4. What is your position?

5. My salary/hourly rate has an affect on my decision to stay employed by your employer?
   Mark only one oval:
   1 2 3 4 5
   __________
   Strongly agree
   __________
   Strongly disagree

6. Does your employers charity partnerships/corporate social responsibility projects make you proud of your job?
   Mark only one oval:
   1 2 3 4 5
   __________
   Strongly agree
   __________
   Strongly disagree

7. Do you find your employers opportunities to progress an attractive feature of employment?
   Mark only one oval:
   1 2 3 4 5
   __________
   Strongly agree
   __________
   Strongly disagree

https://docs.google.com/forms/d/1oJ7he02xspKSlkQd4TSi99O8g6Gp6tGDg/GO5-cdhsY/edit
8. Do you feel supported by the store management team?  
Mark only one oval.

1 2 3 4 5

Strongly agree   Strongly disagree

9. "I feel like my employer listens to me”  
Mark only one oval.

1 2 3 4 5

Strongly agree   Strongly disagree

10. Do you feel like you are treated fairly?  
Mark only one oval.

1 2 3 4 5

Strongly agree   Strongly disagree

11. I like working for my employer  
Mark only one oval.

1 2 3 4 5

Strongly agree   Strongly disagree

12. I feel proud to say I work for my employer  
Mark only one oval.

1 2 3 4 5

Strongly agree   Strongly disagree

13. On a scale of 1 to 10 rate your level of job satisfaction  
Mark only one oval.

1 2 3 4 5 6 7 8 9 10

Highly unsatisfied   Highly satisfied