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Employee Motivation in Retail

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Overview of the Day

Agenda



- Welcome and Introduction
- Motivational Theories
- Learner Activity
- Break
- Employee Wellbeing
- Training in Retail
- Coaching in Retail

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Learning Aim and Outcomes

The aim of this workshop is to develop the skills to support employee wellbeing, apply motivational theories, and use training and coaching to enhance performance in retail.

By the end of this workshop, you will be able to:

1. Apply motivational theories to understand what drives employee engagement and how to improve individual and team performance.
2. Explain the key components of employee wellbeing and describe how they impact performance and staff retention in a retail environment.
3. Identify and evaluate various internal and external training methods suitable for developing retail staff.
4. Demonstrate an understanding of coaching principles and apply basic coaching techniques to support team development and performance improvement.

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Motivational Theories

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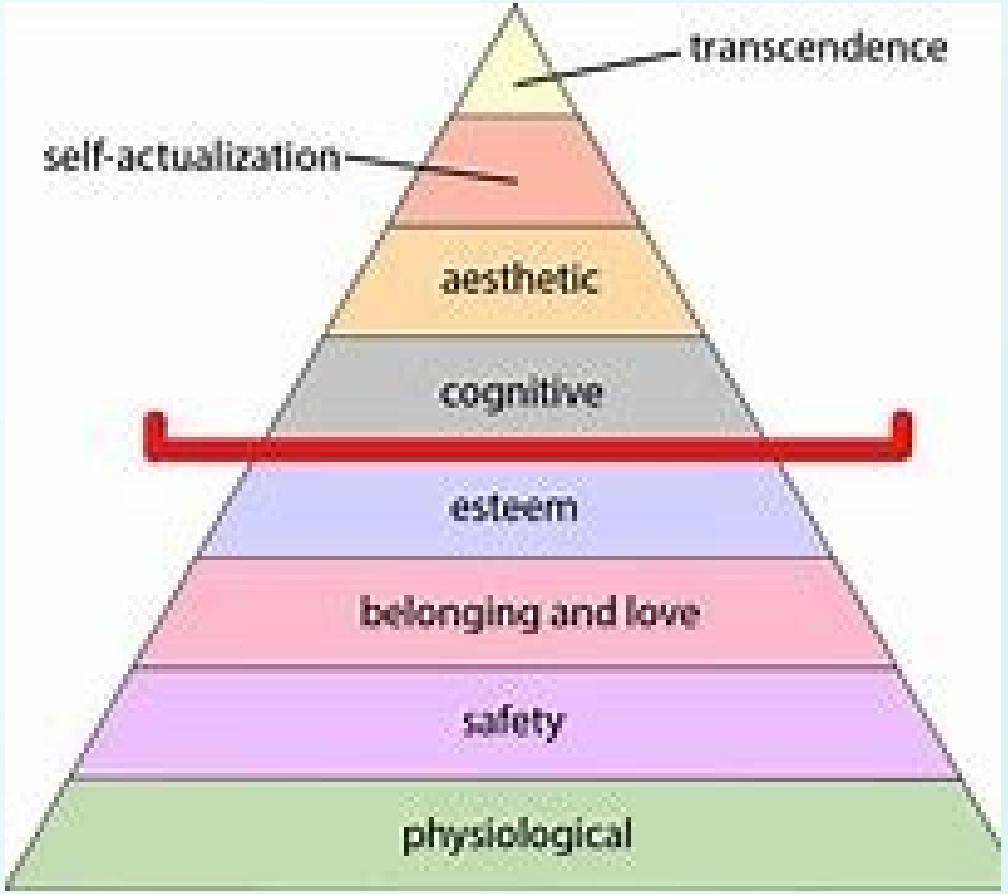
Understanding Motivational Theories

- ***Maslow's Hierarchy of Needs*** provides a framework for understanding employee motivation in retail settings. Each level must be satisfied before employees can focus on higher needs.
- ***Herzberg's Two-Factor Theory*** (distinguishing between hygiene factors and motivators)
- ***Ryan and Deci's Self-Determination Theory***, which emphasizes autonomy, competence, and relatedness as key drivers of intrinsic motivation.

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Maslow's Hierarchy of Needs

1. Physiological needs
2. Safety needs
3. Love and belonging needs
4. Esteem needs
5. Self-actualization needs



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Maslow's Hierarchy of Needs

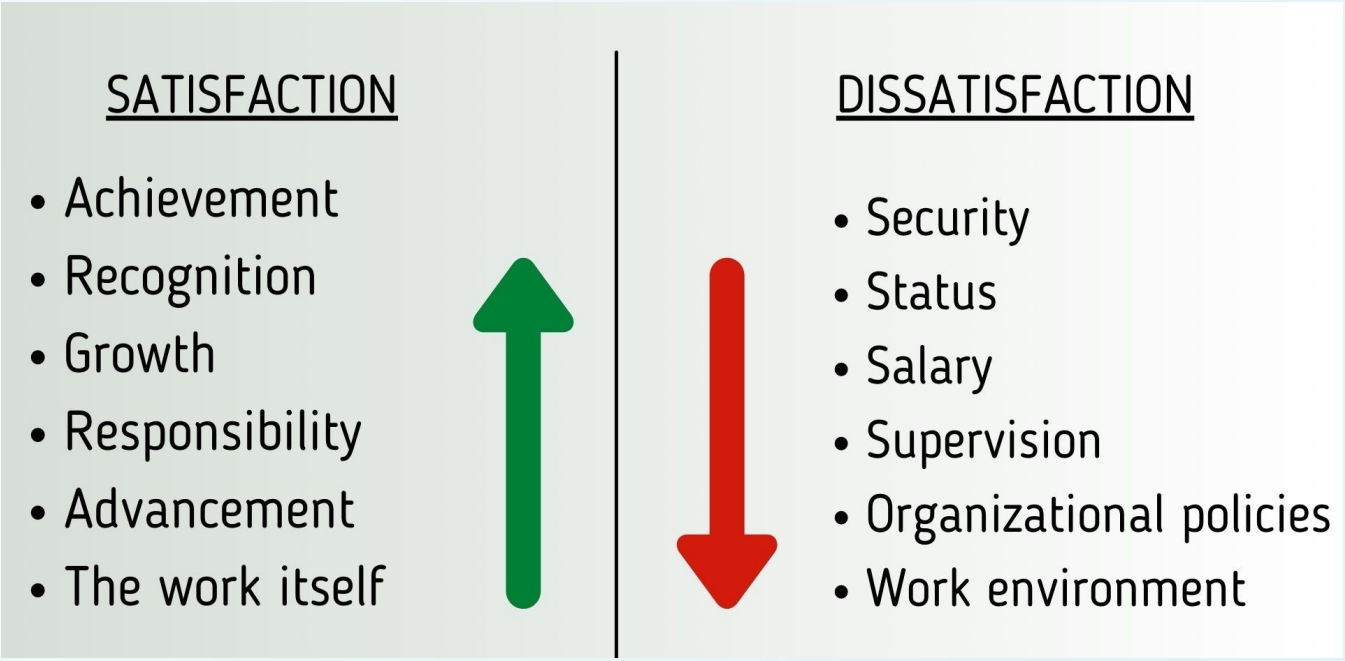
- **Physiological needs:** Basic biological needs such as food, water, shelter, warmth, and sleep.
- **Safety needs:** The need for security, stability, and protection from danger or harm.
- **Love and belonging needs:** The need for love, affection, belongingness, and social interaction.
- **Esteem needs:** The need for self-esteem, recognition, and respect from others.
- **Self-actualization needs:** The need for personal growth, fulfillment, and realizing one's potential.

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Herzberg Two-Factor Theory

Herzberg's Two-Factor Theory (also known as the Motivation-Hygiene Theory) suggests that there are two distinct sets of factors that influence employee satisfaction and motivation.

Herzberg's theory highlights that removing dissatisfaction isn't enough—true motivation comes from meaningful work, recognition, and growth. In retail, where roles can be repetitive, applying both hygiene and motivator strategies can greatly improve morale, performance, and retention.



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Herzberg's Two-Factor Theory

1. Hygiene Factors (Prevent Dissatisfaction)

These are **extrinsic factors** related to the **work environment.** While they don't motivate employees directly, their absence causes dissatisfaction.

Examples include:

- Pay and benefits
- Company policies
- Job security
- Working conditions
- Supervision quality
- Interpersonal relationships

If hygiene factors are poor, employees will be dissatisfied. If they are adequate, employees are not dissatisfied—but not necessarily motivated either.

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Herzberg's Two-Factor Theory

2. Motivators (Promote Satisfaction)

These are **intrinsic factors** related to the **nature of the work itself**. Their presence creates satisfaction and motivates performance.

Examples include:

- Recognition
- Achievement
- Meaningful work
- Responsibility
- Growth and advancement opportunities

Motivators are the key to true job satisfaction and long-term engagement.

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Applying Herzberg's Theory in Retail

Imagine a large national retailer (e.g., Boots or Tesco) One of the stores notices high staff turnover and low morale among customer service employees. The HR team applied Herzberg's framework to analyze causes.

Hygiene Improvements:

- Introduced predictable shift schedules and ensured breaks were enforced.
- Improved breakroom facilities and provided staff discounts.
- Addressed unclear performance policies with fair guidelines.

Motivator Enhancements:

- Launched an "Employee of the Month" program.
- Gave team leads autonomy to manage promotions and in-store displays.
- Offered short, paid upskilling courses for career progression.

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Ryan and Deci's Self-Determination Theory (SDT)

Self-Determination Theory (SDT), developed by psychologists Edward Deci and Richard Ryan, is a theory of motivation that emphasizes people's inherent growth tendencies and basic psychological needs. It focuses on what drives intrinsic motivation—doing something because it's interesting, meaningful, or satisfying, not just for a reward or external pressure.

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Ryan and Deci's Self-Determination Theory (SDT)

People are most motivated and perform best when three basic psychological needs are met:

1. Autonomy

- The need to feel **in control** of one's own behaviors and decisions
- Not micromanaged—freedom to take initiative and make choices

2. Competence

- The need to feel **capable and effective** in one's tasks
- Opportunities to **develop skills**, get feedback, and feel a sense of achievement

3. Relatedness

- The need to feel **connected to others**, included, and part of a team or community
- Involves trust, support, and meaningful social interactions

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Ryan and Deci's Self-Determination Theory (SDT)

Imagine a clothing retailer applying SDT:

- **Autonomy:** Staff choose how to arrange displays or handle customer interactions
- **Competence:** Ongoing training and recognition help them master tasks
- **Relatedness:** Daily team huddles and mentorship programs build camaraderie

Result: Staff feel more invested, perform better, and provide a better customer experience.

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Task

Using one of the Motivation Theories discussed earlier – how could this benefit managing retail employees???

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The Impact Motivation has on Teams

According to Gallup research:

- Companies with engaged and motivated employees report **21%** higher profitability.
- Organizations that improve both hygiene and motivator factors can see up to **59%** lower turnover rates.

A UK-based Retail Study found that when recognition programs were introduced:

- Employee satisfaction increased by **28%**
- Absenteeism dropped by **12%** over six months.
- Sales per employee improved by **9%**

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Retail-Specific Motivation Methods

Financial Incentives

Commission structures, performance bonuses, and sales contests that reward both individual and team achievements.

Recognition Programs

Employee of the month, public acknowledgment of milestones, and peer recognition systems that celebrate success.

Growth Opportunities

Clear advancement paths, cross-training options, and skill development initiatives that combat stagnation.

Scheduling Flexibility

Self-scheduling tools, predictable shifts, and work-life balance accommodations that respect personal needs.

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Retail Specific Motivation Methods



The retail environment presents unique motivational challenges, including irregular schedules, peak season pressures, and customer service demands.



Effective Retail Managers customize their approach based on individual employee preferences and career aspirations.



Consider the demographics of your team - younger associates may value growth and social connection, while long-term employees might prioritize stability and recognition for their expertise.

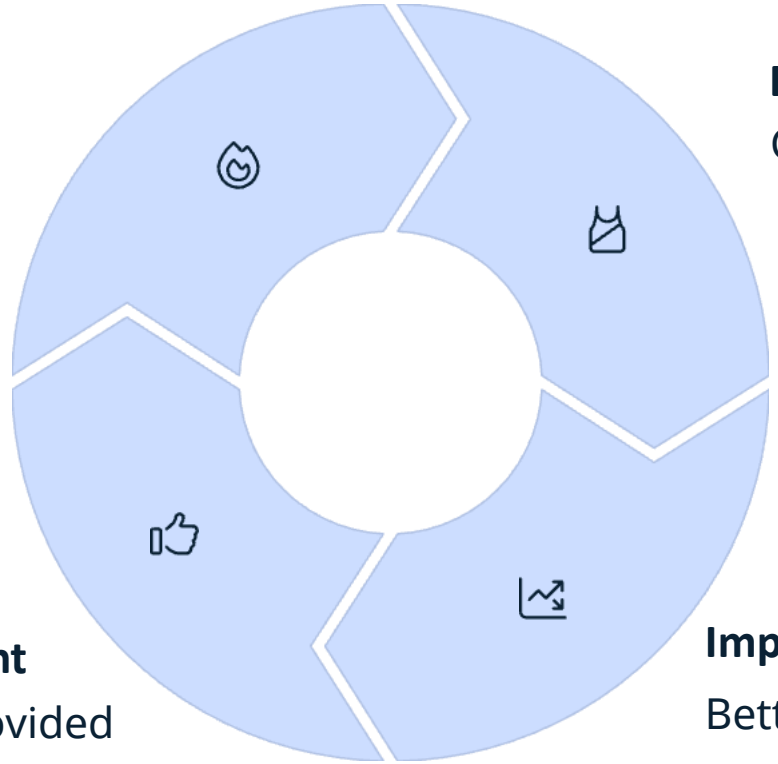
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The Motivation-Performance Connection

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Increased Motivation

Engaged employees with clear purpose



Enhanced Effort

Greater discretionary effort applied

Improved Performance

Better customer service and sales

Positive Reinforcement

Recognition and rewards provided

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The Motivation-Performance Connection

- Research consistently shows that motivated employees deliver superior performance across key retail metrics: customer satisfaction, sales conversion, units per transaction, and loss prevention. This virtuous cycle creates momentum that drives continuous improvement.

- However, the relationship between motivation and performance is complex. Different motivational approaches affect various performance dimensions differently. For example, commission structures may boost sales but potentially undermine teamwork if not carefully designed. The most effective retail managers understand these nuances and create balanced motivational systems.

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Learner Activity

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Employee Wellbeing

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The Importance of Employee Wellbeing

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Boosts morale and engagement



Reduces absenteeism and staff turnover



Enhances customer service and satisfaction



70% of employees say wellbeing influences job satisfaction



Businesses with high wellbeing programs see 21% higher profitability

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Elements of Employee Wellbeing

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Physical Health: Safe, comfortable work environment



Mental Health: Managing stress, work-life balance



Social Wellbeing: Supportive relationships at work



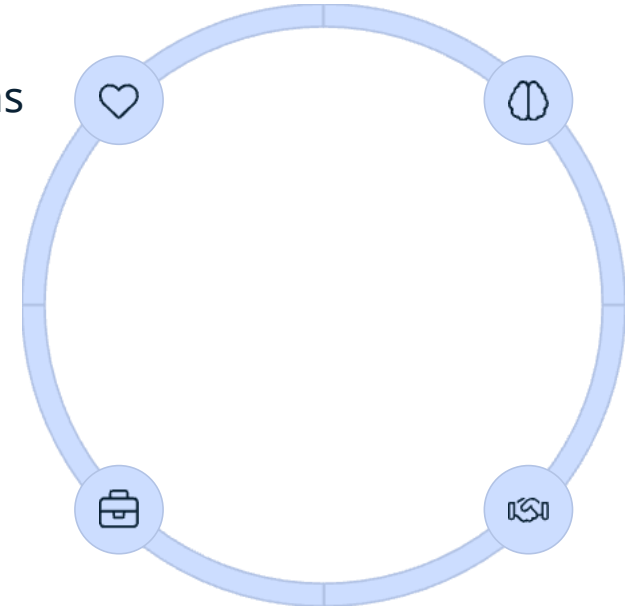
Financial Wellbeing: Fair pay, financial education

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Employee Wellbeing: The Foundation of Motivation Motivation

Physical Wellbeing

- Ergonomic considerations
- Adequate breaks
- Health initiatives



Mental Health

- Stress management
- Support resources
- Psychological safety

Professional Growth

- Learning opportunities
- Career pathing
- Skill development

Social Connection

- Team-building events
- Collaborative culture
- Mentorship programs

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Employee Wellbeing: The Foundation of Motivation

- Wellbeing isn't just a nice-to-have - it's essential for sustainable performance. Retail environments can be physically demanding and emotionally draining, requiring intentional wellbeing strategies to prevent burnout and turnover.

- Leading retailers are implementing comprehensive wellbeing programs that address the whole person, not just their productivity. This holistic approach pays dividends through increased engagement, reduced absenteeism, and stronger customer service.

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Training in Retail

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Understanding Training

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Improves product knowledge and service



Builds confidence and loyalty



Reduces errors and boosts efficiency



On-the-job training



Workshops and seminars



E-learning modules



Peer learning and mentoring

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Sources of Training

Internal: Senior staff, HR, manuals, job shadowing

External: Online platforms (Coursera, LinkedIn), trainers

Retail-specific bodies: National Retail Federation, Retail Skillnet Ireland, Retail Excellence Ireland REI

Government programs: IBEC, ISME, Grants,

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Training Options for Retail Excellence

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In-House Training

- Peer-to-peer knowledge sharing
- Manager-led product training
- Role-playing customer scenarios

External Programs

- Retail certification courses
- Vendor/manufacturer training
- Industry conferences

Digital Learning

- Microlearning modules
- Mobile training apps
- Virtual reality simulations

Experiential Learning

- Job shadowing opportunities
- Cross-department rotations
- Competitor shopping trips

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Training Options for Retail Excellence

- Effective training is both a motivator and a performance enabler. Today's retail associates expect continuous development opportunities that prepare them for current responsibilities while building transferable skills for future roles.
- The most impactful training programs combine multiple modalities to accommodate different learning styles and operational constraints. They're also closely aligned with business objectives, ensuring that associates understand not just how to perform tasks but why those tasks matter to customers and the company.

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Coaching in Retail

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The Role of Coaching- Training vs Coaching

Training = transfer of knowledge

Coaching = developing individual potential

Benefits of coaching:

- Enhances decision-making
- Encourages ownership and responsibility
- Builds confidence and engagement

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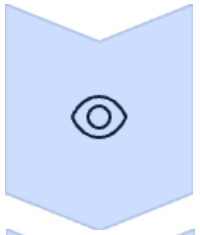
Coaching in Retail

Where does Coaching in Retail show up with the store team:

- Regular 1:1 feedback sessions
- Setting performance and development goals
- Encouraging self-reflection after customer interactions
- Peer-to-peer coaching for skill-sharing

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Coaching: Unlocking Retail Potential



Observe

Watch retail associates in action with customers. Note specific behaviors, language, and techniques they use.



Discuss

Hold private conversations focused on specific observations. Ask open questions that prompt self-reflection.



Develop

Collaboratively identify improvement opportunities and create action plans with clear next steps.



Follow-up

Provide ongoing support, recognize progress, and adjust plans as needed through regular check-ins.

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Coaching: Unlocking Retail Potential

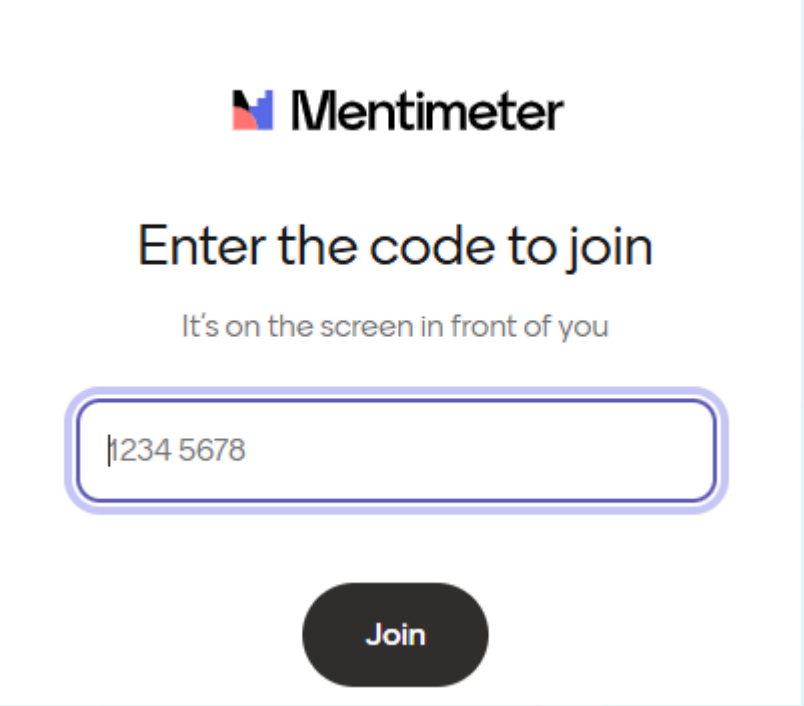
- Coaching transforms retail management from reactive supervision to proactive development. Unlike one-size-fits-all training, coaching addresses individual strengths, challenges, and aspirations. It demonstrates investment in each associate's growth while improving floor performance.

- Effective retail coaches balance inquiry and advocacy, asking thoughtful questions while also providing direct feedback and demonstrations when needed. They create psychological safety that encourages experimentation and continuous improvement, even during busy periods.

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- Once you are on menti.com please enter the code to access the feedback questions
- Complete the feedback questions from today.



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Thank you

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