



# Employee Motivation and Incentives in Retail Business: Case Company Calvin Klein Outlet

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Case Company Calvin Klein Outlet**

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The purpose of this thesis is to discover motivational factors among Calvin Klein Outlet employees. The objective of this thesis is to eventually implement these motivational factors in work life since the author works closely with the employees of Calvin Klein Outlet. Additionally, the objective is to examine what incentives could be used in order to increase the employees' motivation.

From the theoretical point of view, this thesis incorporates a variety of different theories associated with motivational theories. In order to explain motivation and analyse the results, the thesis uses Maslow's Hierarchy of needs, Theory X and Theory Y as well as determines the two different incentives monetary and non-monetary incentives.

Qualitative research method was used in this thesis. Respondents were interviewed and they were able to answer open-ended questions and express their own opinions and experiences regarding their motivation. Therefore, as an outcome, the factors that motivate Calvin Klein employees can be explained through four main factors. The first factor is the fulfilment of the employee's needs, the second motivational factor is a positive and trustful working environment, the third factor is the opportunity to receive responsibilities and lastly, the fourth factor is appraisal and feedback. These four factors will be described and analysed in this thesis in detail.

As the thesis also explored how this motivation can be increased, two main incentives affect employee motivation: the nonmonetary incentives that motivate Calvin Klein employees are appreciative and cheerful behaviour from their store manager as well as recreational activities sponsored by the company. Additionally, monetary incentives that employees would be motivated by are work benefits as well as a bonus system.

Keywords: Motivation, Incentive, Organization, Employee motivation



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## 1 Introduction

Motivation plays an essential role in work life. Motivation makes individuals and groups to behave in a certain way and drives them to work for better results. Thus, highly motivated employees are willing to work harder and deliver greater results than what in turn, low motivated employees are. In order to have high-performing employees, it is important for the company to understand the factors that motivate its employees.

To explain, the author works as a store manager in Calvin Klein Outlet store. Employee motivation is a subject that store managers, including the author herself, closely need to work with on a daily basis. For this reason, this case company was chosen in order to better understand which factors affect employee motivation among the team the author works with. Additionally, this research topic was chosen since the author is highly keen on employee motivation and everything connected to it - and most importantly, how it can be increased.

### 1.1 Purpose of Thesis and Research Question

The purpose of this thesis is to research the factors that motivate employees in Calvin Klein Outlet and to examine what the incentives could be in order to increase this motivation. The purpose is not to find out how motivated the employees are, but rather to examine what the factors are that influence this motivation and what are the ways it could be increased even more. Additionally, the objective of this thesis is to eventually implement the findings into working life and help the author to improve her leadership skills. Since employee motivation is an important part of leadership among all store managers, this thesis aims to find out answers that everyone could benefit from in order to motivate employees and thus become better leaders for their teams. As a result, when work motivation increases, it contributes to successful work performance and eventually better result in sales. Additionally, researching different ways of motivation and implementing them in action leads not only to better work performance, but also greater job satisfaction and thus an increase in employee wellbeing. That being said, the results from this research are useful for the author's own professional development as well as for the company itself.

The research question of the thesis goes as follows:

*“What are the factors that motivate employees in Calvin Klein Outlet and which incentives could be used to increase it?”*



## 1.2 Calvin Klein Incorporation Briefly

To begin with, Calvin Klein Incorporation is an American fashion brand that was established in 1968 (Marsh 2003, 25.) After graduating from Fashion Institute of Technology in New York, Calvin Klein designed clothes for women in New York and was directly spotted by a president of a local retail store that wanted Klein's designs exclusively into its collection (Marsh 2003, 27.) According to Marsh (2003, 25) he initially established the business with a collection of women's coats and few dresses but grew his business into one of the most known fashion brands. Eventually in 2003, a corporation called Phillips-Van Heusen Corporation acquired the Calvin Klein Incorporation and all of its assets (Marsh 2003, 6.) In addition, Phillips-Van Heusen Corporation, also known as PVH, owns and licenses many other fashion brands such as Tommy Hilfiger and Heritage Brands to name a few. PVH is listed in the New York Stock Exchange and employs over 40 000 full-time as well as part-time employees across the world (PVH 2020.) Consequently, in 2013 PVH acquired Warnaco Group that was the manufacturer of Calvin Klein Underwear line (Scott, 2012.) This was remarkable because after the acquisition PVH had all the Calvin Klein collection lines under one corporation.

Today, Calvin Klein is mostly known for providing fashion apparel and underwear for women and men. Regardless of some critic over the years, the brand has continued performing in its spirit and has kept its iconic position in the fashion world. Additionally, Calvin Klein has been using many known models as their brand ambassadors such as Justin Bieber, Mark Wahlberg, Kate Moss and Kylie Jenner to name a few. With these faces, the edgy way of advertising, iconic products and prints that never go out of style, Calvin Klein has been able to reach its target audience and make its way to be one of the iconic fashion brands in the world today.

## 1.3 Outlet Concept Briefly

The way PVH delivers Calvin Klein products to its customers are through different distribution channels such as retail stores, wholesale locations and online. Consequently, these retail stores are divided into full-price stores and outlet stores. To explain briefly, full-price stores incorporates retail stores where customers can find the latest and newest collections whereas outlet stores mainly offer basic collections and sells out old stock. According to Coughlan and Soberman (2004) initially outlets were established to be factory stores for shops in order to sell their overstock and damaged products for a discounted price. Through the 80's and 90's the outlet concept grew rapidly in the US and nowadays the number of outlet malls have increased significantly (Coughlan & Soberman 2004.) Consequently, one Calvin Klein Outlet store is located in Helsinki Outlet which is a newly built outlet shopping village in Helsinki. Thereupon, only the sales associates of Calvin Klein Outlet were researched for this project.

#### 1.4 Framework of Thesis



Figure 1 Framework of Thesis

Firstly, motivation as a term is described in this thesis and what impact motivation specifically has in terms of work life. After that, some theory is introduced in detail that discovers Maslow's Hierarchy of Needs and its connection to human motivation. Additionally, Theory X and Theory Y is also explained. Consequently, incentives are introduced and described what the difference between monetary and non-monetary incentive is. The thesis also explains more deeply what impact the incentives have on motivation as well as introduces intrinsic and extrinsic motivation to the reader.

Secondly, the thesis explains the research methods that were used for the study to examine employee motivation in Calvin Klein Outlet. The thesis further describes how this study was carried out and in which way the data was gathered and analysed. It also displays the possible delimitations the research faced and whether there were factors that possibly affected the end result. Additionally, the validity of the study is described.

Thirdly, the findings of the empirical study are displayed and pondered whether the respondents' thoughts and opinions are aligned with each other or whether major differences can be spotted. The research findings are displayed in a visual form in order to efficiently communicate the data to the reader. Findings and visual data are accompanied with clear and justified written analyses.

Ultimately, the thesis incorporates the final conclusions of the findings and explanations how these findings could be implemented in working life. This part of the thesis will answer the research question that was mentioned above in this section. The conclusion of findings also includes comments and recommendations to the company itself.

## 2 Knowledge Background

In this section, motivation as a term is explained and discussed its connection to work life. In addition, several different motivational theories are displayed in order to deeply understand the meaning of motivation and its impact on employee motivation at work.

### 2.1 Motivation

According to McInerney (2019) motivation is a term to describe the driving factor that push individuals or groups to behave in a certain way. Motivation is something that continuously occurs in our everyday life and drives our decisions. Generally, an increased motivation pushes individuals to perform better whereas lack of motivation results to underperformance or not even performing a certain task at all (Gannon 2007.) Additionally, according to Sansone & Harackiewicz (2000, 1) an individual can be motivated in order to reach a desired outcome or to avoid failure or punishment. According to Souders (2019) motivation comes from within the individual and is followed by actions - motivation drives us to change our behaviour in order to reach what we want or what we do not want to be. According to Schreiber (2016) motivation is also accompanied with individual's wants and needs. When an individual feels the need for something, a thirst for instance, he experiences the difference of the desired result and compares it to the current state. If the difference is remarkable, this individual is motivated to take action and aims to reach to the desired result in order to satisfy the need (Schreiber 2016.) In other words, this thirsty individual knows the feeling of having a stomach full of cold, fresh water and acknowledges that this is not the current situation. Consequently, he makes the adjustment and drinks water in order to satisfy his need and reach the desired outcome - this is the essence where motivation roots from. In terms of work life, when an employee wants for example a higher position or appreciation from his manager, he acknowledges the desired result and the current state and the difference between them. Thus, the employee is empowered by motivation that changes his behaviour to work harder. That is to say, highly motivated employees often overperforms those employees that are lacking motivation. But what are these factors that motivate employees to perform better in their job? Of course, the factors that motivate varies from one individual to another, but there are some core principles that go a long way when it comes to employee motivation. Explaining these factors with empirical data supported by theoretical background, is the essence of this thesis.

When it comes to work life, as mentioned above, motivation can push us to perform better at work. For instance, an employee could perform a task better knowing that if the task is successfully carried out, it will increase the employee's chances to get promoted into a higher position. On the other hand, the employee might be performing well in order to avoid being punished - being nudged by the manager or avoiding being seen lazy by co-workers (Ryan & Deci 2000, 60.) Thus, motivation plays a big part in the employee's level of performance as well as job satisfaction and well-being at work. Lastly, it affects strongly to the employee's desire to work for a company in long term, and thus has an impact on employee turnover.

## 2.2 Intrinsic and Extrinsic Motivation

Furthermore, there are two kinds of motivation - intrinsic and extrinsic motivation. The difference between these two lies in the initial reason of why a person is motivated to do something. According to Ryan & Deci (2000,55) intrinsic motivation roots from a desire to do something simply because it is enjoyable and because of a strong interest towards a certain task. In turn, extrinsic motivation is caused by an external reward that a person strives for, for instance a salary bonus (Ryan & Deci 2000, 55.)

As mentioned above, intrinsic motivation is something that comes from within the individual. In terms of work life, employees who possess intrinsic motivation are usually completing tasks for one's own sake - they are interested in their job and they work for own satisfaction. As Sansone & Harackiewicz (2000, 2) state, intrinsic motivation deals with the individual's enjoyment for that specific task. This means, that an employee that holds intrinsic motivation towards a task usually enjoys his work and is happy with his job. Thus, this employee does not need an external reward in order to carry out work successfully - he does it because he wants to do it. In other words, this employee does need a reward as well - however, the reward being the positive feeling of success or personal development, for instance.

On the contrary, employees who need an external reward in order to accomplish tasks possess extrinsic motivation towards their job. According to Ryan & Deci (2000, 60) extrinsic motivators can be external rewards or even punishments that are to be avoided. For instance, an employee might be motivated to arrive to work precisely on time - not because he wants to, but because he does not want to get punished by his superiors (Ryan & Deci 2000, 60.) External motivation can also be caused by external rewards that can involve money - such as annual bonuses. Important to realize that these external rewards do not always need to be tangible or monetary prizes. An employee could be motivated to work hard in order to obtain positive recognition from his superiors or co-workers. Thus, external motivation can be increased with incentives, that will be discussed more in detail in section 2.5 in this thesis.

### 2.3 Maslow's Hierarchy of Needs

An essential theory that is introduced in this thesis is the Maslow's hierarchy of needs. In his book *Motivation and Personality* published in 1954, Abraham Maslow described that human motivation stems from individual's needs. The first level of needs incorporates physiological needs, followed by safety needs, belongingness and love needs, esteem needs and lastly the need for self-actualization (Maslow 1954, 35.) According to Maslow (1954, 38) an individual must fill up each level of needs in order to be motivated to move on to the next level of a need. For instance, the first basic needs for human being are basic physiological needs such as being able to eat, drink and sleep. According to Maslow (1954, 38) if these basic needs are filled, this again generates new needs - and those would be, safety and security such as home and shelter. According to Cherry (2019) the theory of Maslow's Hierarchy of Needs is often illustrated by a shape of a pyramid - where the basic needs are at the bottom followed by more advanced needs such as belonging, self-esteem and self-actualization. In this section, Maslow's Hierarchy of Needs is described in detail and displayed examples of how the theory is connected to working life. An illustration of these needs is shown below in figure 1. The needs according to Maslow are located inside the boxes, and the needs regarding work life are shown in red.

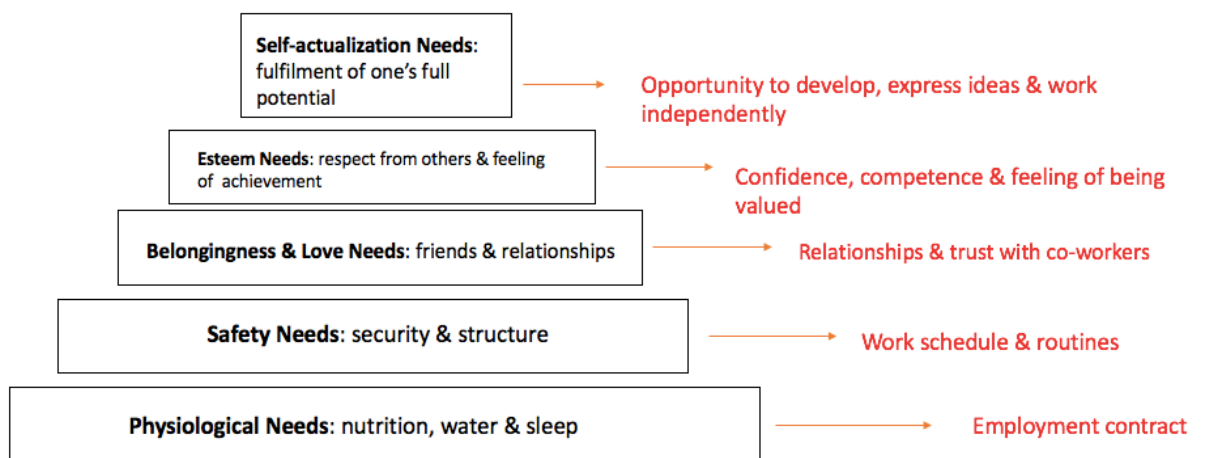


Figure 2 An illustration of Maslow's Hierarchy of Needs (Maslow, 1954) & examples of needs in work life

#### 2.3.1 Physiological Needs

As mentioned above, the first need that is in the very bottom of the pyramid is the physiological needs. As described earlier, these needs are the very core of all human needs: food, water and sleep. Maslow (1954, 37) describes in his book that the needs of an individual who is extremely

hungry, cannot think or even dream of anything else than food. This individual, whose physiological needs are not fulfilled, is trapped in this level of need and is not capable of moving on to the next one. In other words, this individual is not for instance prioritizing friends and family or thinking that helping others is important - the only interest this individual has and is motivated doing is to satisfy his basic physiological needs, such as hunger. When it comes to work life, the first level of Maslow's Hierarchy of Needs can be interpreted as the employment contract and the legitimacy of the employment for the firm. Even though the theory represents the basic needs as needs that physiologically keeps a human being alive, in the corporate life this basic need for the employee could be the contract and the employment. The contract is the base line for the employment - without it, the employee is not able to work in the company whatsoever and thus is not able to fulfil his needs into more advanced levels of needs. In order to have this basic need fulfilled, contracts are often done in a written form in order to have it clear for both parties, the company and the employee. When this mutual agreement is done, the employee has satisfied his first basic physiological need and will be desired to move on to the next level.

### 2.3.2 Safety Needs

After the physiological needs are satisfied, a new need emerges. The next level in Maslow's Hierarchy of Needs is the safety needs. According to Maslow (1954, 39) these needs are for instance feeling of structure and safety, feeling of being protected and that an individual does not have to be afraid of anything. In addition to having a physical home to create the feeling of safety, the appearance of rules, laws and all things being in order are incorporated in this category of needs. An individual feels safe in a predictable world where an everyday life follows a certain structure - predictability and routines create feeling of safety and in turn, unpredictability creates feeling of chaos. In the working environment, this level of need represents the stability of economy, physical as well as mental safety at workplace, work schedule and routines at work. Firstly, if the employee feels stability of his employment it creates a positive fulfilment of this level of need. However, fluctuations of the economy might generate feeling of insecurity since downturns in the economy increases the odds for unemployment. If an employee loses his job due to an economic recession, all the levels of needs that are above the security needs, are automatically discarded - the only thing the employee needs and is motivated to do is searching for a new job. Additionally, physical and mental safety stands in this level of need as well. An employee who feels threatened and bullied at work is most likely not aiming to reach higher in terms of Maslow's hierarchy of needs theory. Because of bullying, safety need is not satisfied, and it thus prevents the employee to be motivated to reach more advanced level of needs. Lastly, this level of safety is most likely fulfilled in work life if the employee is given the opportunity to have planned working hours ahead and being able to follow set routines at workplace without having to feel uncertain.

### 2.3.3 Belongingness & Love Needs

When an individual has fulfilled the physiological needs as well as safety needs, the next need that follows is the belongingness and love needs. According to Maslow (1954, 43) this need incorporates the feeling of belongingness from friends, family, neighbours and colleagues for instance. After the basic needs are satisfied, the individual starts to prioritise human connections and interactions, such as relationships. When this level is reached, the individual is not in an urgent need for food or obtaining a new home or structure in life - the need has grown into a more advanced level and thus the bottom levels might even appear unimportant (Maslow 1954, 43.) From a work life point of view, this level of need consists of the employee's colleagues and the relationship with them. Additionally, if an employee cannot trust his co-workers or feels left alone, the need of belongingness and love does not get fulfilled properly.

### 2.3.4 Esteem Needs

Furthermore, when the physiological, safety and belongingness needs are filled, the next need arises. That is the individual's esteem needs. Maslow indicates (1954, 45) that humans have the need to feel valued and evaluate themselves important and confident in this world. In other words, individuals have the need for a high self-esteem and the feeling of competence. Humans need to feel that they are capable of carrying out tasks and mastering in them. Equally important is for the individual to feel confident in own actions but also receive appreciation and recognition from others. Individuals strive to succeed in order to feel confident but also to feel adequacy in the eyes of others. When these needs are satisfied, the individual is confident in what he does and receives appreciation from others - and this again fosters the self-esteem even more. This level of need is essential when it comes to work life. Employees must feel confident in the work they do in order to maintain a high-quality performance. In work life, fulfilling the need of self-esteem, the employee feels competent, valued and important which reflects into a better result in work performance. Additionally, when an employee's esteem needs are satisfied, his self-confidence rises and simultaneously increases the well-being at work. Thus, lack of respect from co-workers and not receiving appreciation from the manager might result in insufficient satisfaction within the esteem need.

### 2.3.5 The Need for Self-Actualization

Lastly, an individual has fulfilled his physiological needs with having sufficient nutrition, feeling safe in his own home country where the economy and government is stable and trustful, sharing life with a loving family and friends and feeling confident in his position at work. What else can a human being need and wish for? According to Maslow (1954, 46) there is one need that is often illustrated at the top of the pyramid: the need for self-actualization. Maslow (1954, 46) indicates that even if all needs, mentioned earlier, were fulfilled, an individual is still not fully satisfied. This last need of self-actualization is replenished only if an individual is able to fully

express himself and become into something that entirely utilizes his full potential (Maslow 1954, 46.) As Maslow (1954, 46) accurately states, “What a man can be, he must be.” Thus, it means that when all needs in the pyramid are replenished, the last thing that can motivate an individual is the opportunity to become the best and the most skilful version one can be. This is essentially the core of what makes a splendid employee - when one can do the work he loves and is able to use his full potential, this need is accomplished. Replenishing this need is often accompanied with opportunities to develop inside the corporation, having the possibility to work independently and express own thoughts and ideas. Thus, being able to use the skills one has at workplace leads into a proper fulfilment of the need for self-actualization.

All in all, the Maslow’s Hierarchy of Needs reflects the connection between human motivation and needs. Not only it is a theory of human motivation but also a theory that can be interpreted in work life.

#### 2.4 Theory X and Theory Y

Additionally, another theory that deals with human motivation is the Theory X and Theory Y by Douglas McGregor. According to McGregor (1960) the motivation of an employee depends on the way the management leads its employees. Thus, McGregor’s theory looks at motivation from the corporate point of view and the connection between the management style and the result it leads to in terms of employee motivation. To put it another way, the way employees are treated within corporations will impact on their motivation, and these two approaches companies use are called Theory X and Theory Y. That is to say, the employee motivation is the result of whichever management style the company is using, and it is rather an effect than a cause. McGregor’s theory and abovementioned Maslow’s theory has some connections and overlapping which will be discussed later on in this thesis, but in the following paragraph McGregor’s theory is discussed in detail.

##### 2.4.1 Theory X

First, if a corporation follows a management style according to Theory X, the company expects its employees to be unwilling and unproductive employees who needs direct guidance and constant supervision in order to complete tasks (McGregor 1960.) An illustration can be seen below.



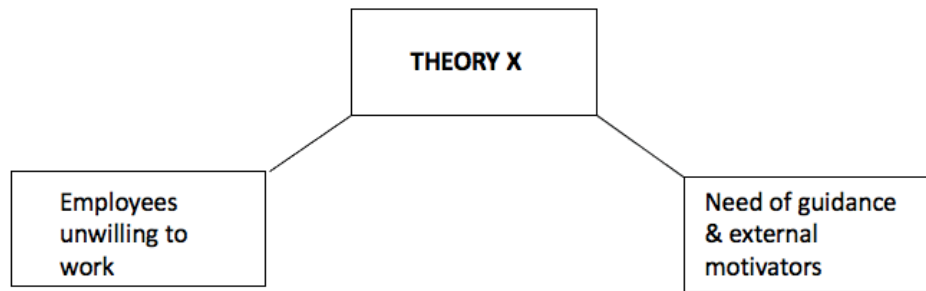


Figure 3 Theory X by McGregor (1960)

Frankly, this theory argues that a human being is comprehensively unwilling to take responsibility and attempting to avoid it at all costs. According to this theory (McGregor 1960) in order to have these employees to perform sufficiently, they need external motivators, such as bigger pay-check, as well as a threat of a punishment whether tasks are not carried out properly or goals achieved. In other words, Theory X (McGregor 1960) claims that a way companies can motivate its employees are the carrot and stick approach - rewarding employees for work well done and punishing them for not carrying out work properly. In addition, Theory X is divided into hard approach and soft approach. According to McGregor (1960) the hard approach incorporates supervision and close guidance of workers where usually the managers have the highest control of the work. Conversely, the soft approach includes a more subtle management style and rules are not followed as strictly. According to McGregor (1960) there are negative sides in both approaches and the best would be to follow an approach that has little from both extremes.

#### 2.4.2 Theory Y

In contrast, McGregor's Theory Y displays the very opposite of Theory X. Namely, Theory Y assumes that employees have intrinsic motivation to accomplish work properly and with high quality. An illustration of this is shown below.

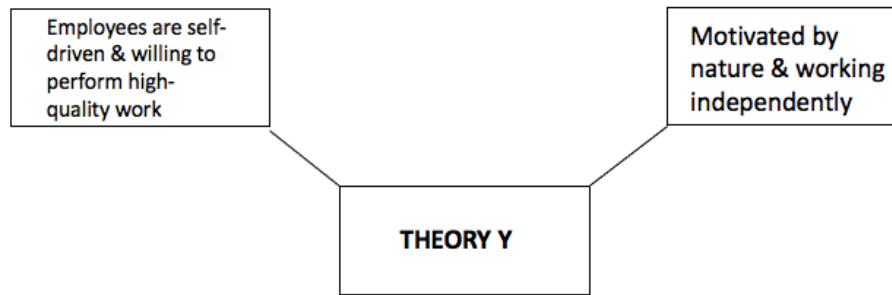


Figure 4 Theory Y by McGregor (1960)

Additionally, according to Theory Y, employees do not only accept responsibilities but also goes after them. Corporations that follow the Theory Y management style has employees that are committed, self-driven and often takes initiative. Workers who are treated according to Theory Y management style tend to work purely out of joy in order to develop themselves, without seeking for an external reward.

#### 2.4.3 Summary of Theories

All things considered, what does this mean in terms of employee motivation at workplace? In one hand, Theory X assures effectivity and enables the control of the quality of the work - which could lead to better results (Hattangadi 2015, 20.) On the other hand, Theory Y allows employees to increase their creativity and independency at workplace thus enabling self-development. Employees thus have more to offer for the firm when they are trusted and shown respect - however, this could lead to work being neglected due to lack of rules and guidelines. If the two abovementioned theories of McGregor and Maslow were to be compared, some connections could be drawn. McGregor's Theory X supports Maslow's safety needs: when the work is clearly structured, guidelines accordingly given and rules set, the employee's need for safety replenishes. However, according to Hattangadi (2015, 21) Theory Y supports the employee's need for esteem and self-actualization: when an individual is treated as an independent human being with trustful responsibilities, he is given the opportunity to utilize his greatest talent and become the most he can be.

#### 2.5 Incentives

It is essential to realize the concept of motivation and all its dimensions - but it is equally important to perceive the ways motivation can be increased. One of these factors that has effects on motivation are incentives. According to a direct translation from Cambridge Dictionary (2020), incentive is "something that encourages a person to do something." In other words, incentives are often external rewards that can be used in order to modify the behaviour of an individual or a group. Incentives are often used in corporations where the management team

has set up a goal to be reached - in order to motivate the subordinates to reach this goal, incentives are the tools to go for. However, incentives can also be used in order to attract new employees to the firm or strive to keep the existing talents in the company for as long as possible (Deeprise 2006, 11.) Another key point, according to an interview of Tina Weede, incentives should be considered carefully in order to be as effective as they can be (Jakobson 2019.) According to Weede (Jakobson 2019) it is essential to modify the incentives according to the audience and in terms of what drives each of them individually. Only then benefits of incentives become fruitful and results end up in profitable outcomes. In addition, as Deeprise (2006, 12) accurate statement goes:

“What the employee receives from the employer must be equal in value to the quality and quantity of work done by the employee.”

This means that the employee must feel that the work and effort he or she does for the company, must in turn be the same value he or she receives from the company. Consequently, these incentives that Deeprise (2006, 12) refers to, can incorporate both monetary and non-monetary incentives. That is to say, in a great array of different incentives they can generally be divided into two subgroups: monetary incentives and nonmonetary incentives. Detailed discussion from these two types of incentives will be displayed in the following paragraphs of this thesis.

### 2.5.1 Monetary Incentives

According to Wroblewski (2019) monetary incentives are rewards given by the company to the employee simply in a form of cash. Employees receive monetary rewards after performing remarkably in their job - thus this monetary reward is an incentive that boosts the employee's motivation to reach the desired goal. Different monetary incentives include for example bonuses and commissions, sharing a slice of earned profits or possibility to receive company stocks (Wroblewski 2019.) With this in mind, monetary incentives should not be confused with salary - as Deeprise (2006, 20) states, employees work in order to keep their economy balanced and finance their everyday necessities, so receiving this salary does not push them to work better. Thus, basic salary does not work as a motivator. Even though it is pure money continuously appearing to bank account, employees take it for granted which does not motivate. Another key point is that, according to Deeprise (2006, 21) effective monetary incentives are the kind that employees can be expecting to receive and that are obtained occasionally. To put it differently, when an employee is aware of the reward beforehand and knows the criteria how to obtain it, the incentive is effective. Additionally, when these incentives occur occasionally and not so frequently, the incentives feel more special and thus have a greater effect.

### 2.5.2 Nonmonetary Incentives

In turn, incentives do not always have to be cold cash. When an employee receives incentives that cannot be seen in a form of numbers in bank account, they are called nonmonetary incentives (Wroblewski 2019.) As Wroblewski (2019) explains, nonmonetary incentives incorporate for example healthcare benefits, insurance or a company car. Additionally, smaller incentives and perhaps motivators for shorter periods could be gift cards or concert tickets (Wroblewski 2019.) To demonstrate nonmonetary incentives that managers can implement in their teams without much effort are for instance appraisal letters with compliments of an employee's good work performance or a party with all department members. Additionally, managers could give employees opportunities to take the lead in smaller projects or arrange possibilities where employees can develop their skills that also benefits the company (Deeprise 2006, 23.) As mentioned above, incentives should always be modified according to the employee's individual interests. Therefore, managers should be precisely aware of what drives every employee the most - which brings us back to Maslow's theory of self-actualization needs - what the factor is that drives an individual to become the best version he could be (Deeprise 2006, 22.)

### 2.5.3 Incentives in Retail Environment

As this thesis focuses on motivating employees in retail business, it is important to realize what these incentives, both monetary and nonmonetary, are in this specific field. Even though incentives in retail business cannot be compared to some other business fields, incentives are indeed used in some forms in retail business as well. In terms of monetary aspects, Finland follows the collective agreement in commercial sector, which means that all employees working in retail locations in Finland are receiving pay according to this law. According to the collective agreement of the Finnish commercial sector (2020, 195) sales associates working in retail receive an hourly addition of 4,10 euros on hours worked in evenings after 6 pm. Also, hours worked on Saturdays adds up 5,35 euros to hours worked after 1 pm (Collective Agreement 2020, 195.) Consequently, the collective agreement (2020, 195) demonstrates that employees receive double salary when working on Sundays. Similarly, the hourly salary increases in terms of total number of years worked (Collective Agreement 2020, 187.) Lastly, under the guidelines of Collective Agreement (2020, 52) the employee receives 3-5 per cent addition on top of the basic hourly salary when using English on a daily basis. It is important to realize, that these monetary additions act as incentives in the retail industry in Finland. Another key point is that within retail business, it is difficult to influence the salaries since they mostly without exceptions follow these guidelines of Collective Agreement. For this reason, employers and managers need to invent ways they can hand over incentives in other forms than money. For example, according to Deeprise (2006, 15) a company that produces leather goods in Cambridge, Maine uses nonmonetary incentives such as massage services, Christmas parties and allowing the employees use flexible working hours and choosing what fits best for their schedule. In this way,

companies can give benefits as incentives to its employees if adding up extra to their pay-check is not possible.

#### 2.5.4 Summary of Theory

It is essential to realize the concept of motivation and how it influences employees at work-place. As mentioned earlier, motivation is a driving factor that pushes people to behave in a certain way in order to reach a desired outcome. As discussed earlier, intrinsic motivation comes from within the individual and extrinsic motivation roots from an external reward the individual is attempting to obtain. Moreover, some fundamental theories that were discussed were theory about human motivation such as Maslow's Hierarchy of Needs by Abraham Maslow. Additionally, a crucial theory that was explained was the Theory X and Theory Y by Douglas McGregor. Lastly, an essential part of this thesis is the impact that incentives have on employee motivation. All of these theories are important regarding this thesis and it is essential to comprehend them in order to deeply understand the findings of the empirical research. Thus, the subsequent sections will specifically focus on Calvin Klein Outlet employees and the empirical findings of the research. Ultimately, the following sections will display how the research was conducted and whether the findings were aligned with the theory or not.

### 3 Research Approach

Before diving deeper into the research approach and methods used in this thesis, it is perhaps worthwhile to recall the research question of this thesis. The research question of this thesis is *"What are the factors that motivate employees in Calvin Klein Outlet and what incentives could be used to increase it?"* To clarify, the group being researched for this project were the employees of Calvin Klein Outlet store in newly opened Helsinki Outlet. Thus, the term "respondents" used in this thesis refers to the seven Calvin Klein Outlet employees who took part in this research. In this section, the research approach is explained, and it is described what methods and philosophies this research followed. Additionally, the validity and reliability of the research is analysed, and it is pondered whether there were some limitations that possibly affected the research results. The interview questions can be found in the appendix section in the end of this thesis.

#### 3.1 Research Method, Philosophy & Ideology

Firstly, the research method that was used in order to carry out this research was qualitative research method. According to Saunders (2016, 165) a brief description of a qualitative research method is that the technique the data is collected is mostly non-numerical data. In other words, the qualitative research method analyses words and categorizes respondents' opinions and insights rather than compares data in numbers, like in quantitative techniques. Thus, in order to

collect data from respondents and their personal insights about motivation at work, a structured interview was conducted for this research. This research method was chosen because in order to collect data about employees' personal thoughts and the ways they experience motivational factors, are best obtained by an interview. Additionally, a qualitative method was best for this research because interviews are the most effective ways to gain detailed data while it enables the researcher to ask clarifying questions from respondents. However, at times research methods can incorporate both qualitative and quantitative methods - this combination is called mixed methods (Saunders 2016, 165.) Even though the research dominantly followed the qualitative method, it did include some quantitative method as well. Some of the interview questions were close-ended questions and thus analysed quantitatively, in other words numerically. However, even though the interview incorporated mixed research methods, the predominant method for this research project was qualitative.

Secondly, the nature of the research is a basic research. According to Saunders (2016, 10) in terms of business and management research, basic research is usually conducted in order to simply comprehend the phenomenon being research within the business or organization. In other words, this research project falls into the basic research category since the objective is to find out the factors that motivate the employees at Calvin Klein Outlet store. Thus, no problem or a conflict occurs that would be tried to solve - motivation is simply the phenomenon that this research is seeking to understand more in detail.

Thirdly, the philosophy behind this research project followed a so-called regulation perspective. Since the research is not attempting to question the processes of the organization nor trying to change the policies, it is trying to figure out how to improve the ongoing processes (Saunders 2016, 132.) With this in mind, this research attempts to find out the factors that motivate the employees at Calvin Klein Outlet and strive to seek options how to increase the level of motivation even more. Thus, the research is focusing on improving the processes within the organization's frameworks that are already existing today. Additionally, this research followed the ideology of interpretivism. Interpretivism sees human beings from the social, more meaningful point of view and thus cannot be compared to physical phenomena (Saunders 2016, 140.) This means that interpretivism takes individual's different background and experiences into account and thus emphasizes that they cannot be analysed according to the same law and categorized into one mould. According to Saunders (2016, 140) usually in business researches this ideology means looking at certain phenomenon from different person's point of view: employee's angle in a big corporation, for instance. Employee motivation is a phenomenon that organisations continually try to contemplate, but this motivation can be perceived differently by the decision-makers working in headquarters versus the workers doing the job in the field. Thus, this research is seeking to obtain data about motivation from the employee point of view. The employees' perception and experience of their motivation who work in retail locations can differ from that of a manager working in the headquarters.

### 3.2 Methodology & Data Gathering

For the start, a research question was formulated in order to initiate this research study. The research question stemmed from the desire to deepen the author's knowledge towards employee motivation and all its aspects in order to truly understand what motivates the team the most. Thus, the ability to gain respondents' close opinions and an approval from the PVH Human Resources team enabled the beginning of this research study.

In order to obtain qualitative data, a structured interview with each respondent was chosen to be the best option. According to Saunders (2016, 391) structured interviews are interviews that follow a same ideology as questionnaires - a set of questions are prepared beforehand and asked from each respondent identically. The interview questions were innovated first by categorizing main areas of motivational factors: Needs, Working Environment, Responsibilities & Challenges, Appraisal & Feedback and lastly Incentives. After consolidating all areas, interview questions were conducted in all correspondent categories. All in all, there were 19 questions in total that were stated to the respondents. The interview consisted mostly of open-ended questions, but some questions were also close-ended questions. However, every close-ended question always required a clarification or a reasoning. Consequently, these set of research questions were established and then conducted individually with all respondents via Facetime. According to the initial plan, the interviews were to be conducted face to face with each respondent. However, an unfortunate global pandemic of coronavirus prevented conducting the interviews in person and thus data gathering was carried out remotely. Nevertheless, gathering data remotely enabled a sufficient data gathering for this research.

The interview answers were transcribed, which means that the respondents' answers were written down in order to help the data analysing process (Saunders 2016, 572.) Additionally, recordings were used during interviews in order to collect answers in case there became a need to repeat them again during the research. The duration of each interview varied from 45 minutes up to an hour. Once the interview was done and data was transcribed, each respondent's answers were in their own Word document to keep data organized. After that, a separate document was made for each question category where every occurring answer was gathered. The answers were then counted. Since all questions required justifications from the respondent, the answers had to be transcribed and gathered in a written form before counting.

### 3.3 Validity & Reliability

Important to realize is that even though this research was carried out with great emphasis on carefulness and consistency, this research too may have lack of reliability. According to Drost (no date, 106) the reliability of a research indicates whether the research is repeatable. This is especially difficult in qualitative researches since the respondents' questions vary from person to person - biases may occur. In turn, validity means whether the research and its methods

are correct in terms of the research objective and whether it is experimenting the focused phenomenon in relevant and valuable ways (Drost, no date 114.) To demonstrate, according to Drost (no date, 115) a lack of internal validity can induce errors in qualitative research. For instance, if a job satisfaction of employees were tested right after they had received an annual bonus, that would most likely have an effect on the research results since obtaining a bonus might increase the employees' feeling of satisfaction at that time (Drost, no date 115.)

That being said, the first possible error regarding this research might occur in the internal validity of this research. The respondents for this research were the employees working in Calvin Klein Outlet store. Since the author also works there as a store manager and conducted this research, that induces the possibility of error in the results - the respondents may not have been fully honest because the researcher was their superior. Thus, the validity of this research may have increased if the interview was conducted by a third-party researcher.

Additionally, the different biases affect the reliability of this research. This research incorporates a small specific group and thus cannot be generalized throughout the whole company. If this research were conducted in a different country with a different group of employees in the store, the results would most likely not be the same. That being said, biases and previous experiences of employees and different perceptions impact on the reliability of the research results.

Consequently, the timing of this research could have affected the research results as well. During the research period, a global pandemic of coronavirus occurred and could have affected the employees' perception of job stability. All Calvin Klein stores were closed during this research and employees were to stay home in order to prevent spreading of the virus. Thus, this situation might have induced an unstable outlook regarding the employee's future employment. On the positive side, the situation enabled a flexible timeframe for scheduling interviews and increased the responding rate since every respondent were less occupied during the lock down.

Lastly, there is a possibility for errors in this research regarding the interpretations of interview answers. As mentioned above, the qualitative research was done using structured interview with mostly open-ended questions. Open-ended questions leave room for a variety of answers and different opinions and thus it can be challenging to interpret what the respondent truly means. Analysing the results can thus induce errors if the answers are interpreted incorrectly, distorting the end result of the research. However, the research incorporated close-ended questions which increased the trustworthiness of the results since they are less prone to interpretive errors.



#### 4 Empirical Findings of Research

This section incorporates the findings from the research conducted for case company Calvin Klein Outlet store. All the results of this empirical research were collected by interviews and is thus primary data. As stated in the previous section, seven Calvin Klein Outlet employees took part in this research and thus referring to the term “respondents” signify these seven employees. All respondents are females and in between ages 19 to 23. Every employee also works in the Calvin Klein Outlet store on a daily basis. Additionally, the findings are described in this section in a written form as well as includes some visual illustrations in order to fully clarify the findings to the reader. The findings of this research will be analysed and discussed within the same categories as the interview questions were asked. These categories are Needs, Working Environment, Responsibilities & Challenges, Appraisal & Feedback and Incentives. Appendix of the interview can be found in the end of this thesis.

##### 4.1 Needs Analysis

The first category in the interview was about the employee’s needs. This category incorporated questions about the employee’s feelings of employment stability, feeling of safety at workplace as well as the level of confidence they possess towards their job. All questions were followed by a requirement of reasoning. The results are displayed in a visual form and justifications are described in the text following each result.

When asked about the feelings towards stability of employment, all seven respondents stated that they have positive feelings and expectations towards their stability of employment in Calvin Klein Outlet. The results are displayed in the pie chart below and respondent’s explanations described in the text.

#### 1. Do you feel secure about the stability of your employment in Calvin Klein Outlet and how does that affect your motivation?

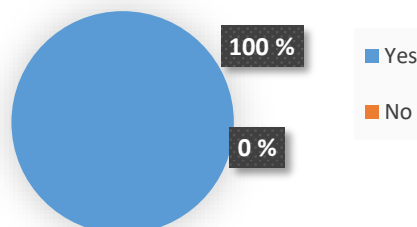


Figure 5 Question 1 results

As discussed earlier in the previous sections, the coronavirus pandemic occurred during the research and thus might have affected to the results of this specific question. However, when

respondents were asked about the impact of the pandemic, the respondents calmly expressed that the virus is creating temporary stress but does not have impact on the work motivation in the long run. Consequently, 4 out of 7 respondents stated that this stability of employment increases their motivation because it assures the feeling that they want to proceed further inside the corporation and perceives their employment more long-term than temporary. Respondents additionally stated that if the future outlook of the employment would be short, they would not feel themselves as motivated. Additionally, one respondent expressed that when she feels stability of employment, it motivates her to work harder and become better in her job. On the contrary, 2 respondents said that they feel general stability towards their employment, but small contract hours decrease their motivation. According to these respondents, greater contract hours would make their employment and financial stability more certain and thus increase their motivation. That is to say, financial stability affects the employee motivation - when an employee is certain about her contract and the continuance of her job and career, she works harder for it.

Consequently, the needs category also incorporated questions about the feeling of safety. When respondents were asked whether they feel safe at work and what affect this has on their motivation, all seven respondents answered that they do feel safe at work. The results are showed in the following chart and justifications explained below.

## 2. Do you feel safe at work? What impact does it have to your motivation?

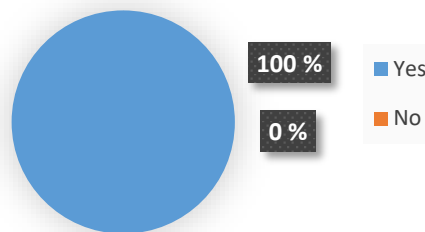


Figure 6 Question 2 results

3 respondents stated the feeling of safety is assured because the store has an emergency button. This button enables the sales associated to alert security guards into site in case of obtrusive customers or other cases of emergencies. Close to another half, 3 respondents, stated that feeling of safety increases work motivation because it is easy to come to work when they feel safe and welcomed. Lastly, one respondent expressed that her feeling of work safety is connected to the feeling that she acknowledges she has a team she can trust on and someone is always there to help. In addition, two respondents wanted to add that in contrast, suspicious customers create an unsafe feeling at workplace. According to this empirical data, it can be concluded that when employees generally feel safe at work, physically as well as mentally,

they are more comfortable working and thus enjoys coming to work. That is to say, the data shows that the safe environment has to be created for them by their superiors - putting effort on investing to prevent physical emergencies as well as creating stress-free working environment where the employee feels comfortable and secure in.

Lastly, the respondents were asked about their confidence at work. 100% of the respondents stated that they feel confident and that confidence affects positively to their work motivation.

**3. Do you feel confident at work? Why or why not?  
Please describe how this affects to your  
motivation.**

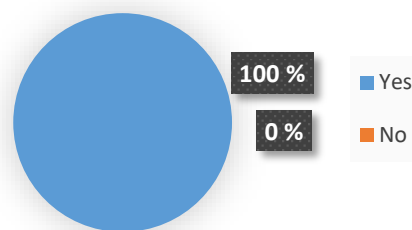


Figure 7 Question 3 results

The biggest reasons why employees feel confident were because they know what they are supposed to do (3 out of 7 respondents) and because the confidence is connected to the feeling of success and self-development (3 out of 7 respondents.) Additionally, 1 respondent stated that she feels confident because she has found her strengths and desires to develop them further which brings her confidence up. Thus, nearly half of the respondents thought that when they know how to carry out their work, they feel confident. In other words, the data shows that when employees are fully orientated and coached into their job and role, it increases their confidence. If an employee feels helpless and struggles with not knowing how to carry out a task, she might feel inferior compared to her co-workers and thus decrease her confidence. Therefore, confident employees who are fully aware of what they are supposed to do and knows they can handle it, are also the motivated ones. The empirical data shows that a high level of confidence affects positively to the increase of employees' work motivation at Calvin Klein Outlet. All in all, according to this empirical data about the employee needs, a conclusion can be drawn that factors that affect positively on employee motivation are that employees feel safe at work which enables them to work comfortably and stress-free. Additionally, the fact that they are fully coached into their job increases their confidence and consequently, increases their motivation.

#### 4.2 Working Environment Analysis

The next category in the research interview dealt with working environment. As a term, the working environment indicated the environment the employees perceive mentally, rather than the tangible workplace. Thus, working environment incorporates the team spirit and overall atmosphere that takes place at the store on a daily basis. The respondents were asked questions about the nature of the working environment and its impact on their motivation, whether they trust their co-workers or if being treated equally impacts on their work motivation.

The empirical research revealed the following results: all seven respondents described a good working environment positively impacting on their work motivation. However, when respondents were asked to clarify further how the current working environment is making them more motivated, their explanations varied greatly. The results are displayed in the graph below.

#### 4. Please think about the working environment within your team. How does the working environment affect to your motivation?



Figure 8 Question 4 results

According to the empirical results, employees think their work motivation increases because of good working environment. As seen in the graph above, majority of the respondents, 43%, explained that good working environment increases their motivation because when other employees are performing well, they are also inspired and motivated to perform well. In retail store, this could for instance incorporate active customer service in order to reach out sales goals for that day - when an employee is actively approaching customers and making sales, it energizes the rest of the team to do the same. In addition, two respondents added that this goes the other way around, too. If a negative work mood is dominating the atmosphere, it impacts on

everyone's work mood. Another reason that respondents explained, was that their work motivation increases when the environment at work is welcoming, friendly and family-like (29% of respondents.) According to this data, when working environment is friendly and relaxed, it makes employees to enjoy their time at work and thus increases their motivation - it is generally more enjoyable to be at work, when the atmosphere is not tense or unreasonably strict. Additionally, a relaxed atmosphere increases the wellbeing of employees and thus helps bring up their motivation. 14% of the respondents also stated that their motivation is enhanced because a good working environment makes them more excited to come to work, and another 14% thought that it motivates when co-workers are cheerful and helpful. That is to say, not only does a good working environment motivate during the days at workplace, it also effects on their perception of the group and their expectations before even coming to work. A positive and helpful interaction between employees enhances their feelings of being supported by their co-workers and thus increases motivation. With these in mind, it can be concluded that the cheerful energy of the employees, cooperation and the supportive relationship they share has a positive impact on their motivation.

Employees were then asked whether they trust their co-workers and the possible impact this has on their work motivation. To specify, the trust in this context indicated trust in terms of work and whether the employees trust their co-workers in work related matters. As a result, 100% of respondents said that they can trust their co-workers at work. As usual, this question was followed by a requirement of justification - how does this trust impact on their work motivation? The justifications are illustrated in the pie chart below.

**5. Do you feel like you can trust your co-workers? Do you feel this trust / lack of trust impacts on your motivation? How?**

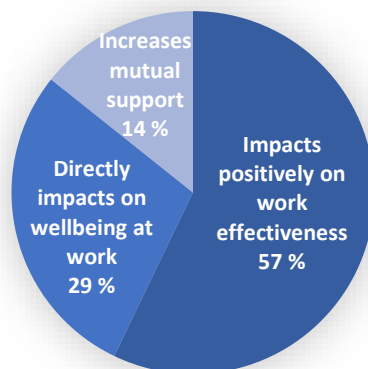


Figure 9 Question 5 results

Majority of respondents, 4 out of 7 to be exact, stated that mutual trust increases their motivation because it impacts positively on work effectiveness. This means that employees who

trust their co-workers, are more likely to be confident that all required tasks are carried out successfully and effectively on that day. In other words, trust increases motivation because an employee can be trustful that everything gets done accordingly. This is important in the retail business, since the main job for a sales associate is to maintain the overall look of the store and deliver high-quality customer service in order to give the customer a delightful shopping experience. No sales associate can handle it alone and thus cooperation and team play are essentially special in an everyday life in retail stores. According to this empirical data, employees who can trust that their co-workers are doing their work accordingly, enhances their work motivation. Consequently, 2 respondents expressed that trust increases their motivation because it directly impacts on their wellbeing at work. According to the respondents, they feel comfortable and safe, when working in a trustful environment. Thus, this creates a better and more enjoyable workplace for them. Additionally, 1 respondent stated that trust is connected to her work motivation because when she is receiving help and support and she can rely on her co-workers, she is motivated and thus willing to do same for the team. Comparatively, trust is a two-way street that fully benefits the group when every employee can feel that the trust they give can also be received back from the team. In turn, a respondent added that lack of trust usually occurs when a new employee starts in the team - it is hard to trust all things are done accordingly. However, the trust develops when employee starts learning and according to the respondent, the trust is then gained fully. All in all, these empirical research results show that adequate trust between employees increase their work motivation and wellbeing at work.

Finally, the respondents were asked if being treated equally impacts on their work motivation. All 7 respondents expressed that being treated equally has a positive effect on their motivation. An illustration is shown below.

#### 6. How does the feeling of being treated equally affect your work motivation?



Figure 10 Question 6 results

Respondents stated that when they feel equal to one another, it creates a feeling that they are as appreciated as their co-workers. Thus, when they feel as valued as their other team members, according to the respondents they feel more committed to the company and as a result, more motivated. Employees said that when they are being treated equally, it increases their motivation and in turn, being treated unequally decreases their motivation greatly. Being treated unequally induces feelings amongst employees that someone's work is more valued than someone else's work. What comes to equality, it can be anything from giving responsibilities unfairly to appraising one employee substantially more than another. According to respondents, low hierarchy within the team, its members and titles contribute to a better experience of equality. This means that employees appreciate when everyone is treated equally regardless of titles or responsibilities. That being said, the empirical data shows that employees are more motivated when a more equal and valued atmosphere is created within the team.

#### 4.3 Responsibilities & Challenges Analysis

The subsequent category in the research interview handled responsibilities and challenges and their impact on employee motivation. As can be seen, this category incorporated close-ended questions, meaning that respondents were to choose the alternative that best fit their feelings. The respondents were then asked to justify their answers.

First, respondents were asked whether they feel they have been given the possibility to use their full potential at work. The nature of this question is deep dived, and it requires respondents to first of all think what the definition full potential means in terms of themselves and work life, as well as to think whether they have been able to manifest it in their job. The term *full potential* in this context indicates the employee's best performance they personally perceive they can accomplish. In other words, the question aimed to discover whether the employees felt that they had been able to do such things in their job they feel they are the best at. All 7 respondents said that they have been able to use their full potential at work and it has increased their motivation. Justifications are shown below.

**7. Do you feel like you have been given the possibility to use your full potential at work? If yes/not, how has that impacted on your work motivation?**



Figure 11 Question 7 results

As a result, 2/7 respondents stated that it has increased their motivation because her potential has been seen by her manager and the team. Additionally, these respondents stated that they have been encouraged so that they feel they have been able to perform according to their highest ability. The next respondents, another 2/7, explained that the fact they have been able to use their full potential at workplace has increased their motivation because they believe they will develop their potential even higher in the future. This data shows that when employees feel their abilities are sufficient and they can perform according to their highest ability at that moment, they are also encouraged to continue developing skills further. Consequently, 1/7 respondent stated that even though she feels she has been able to fulfil herself at work, she has been able to do that within the boundaries of her job description. She clarified she has been desiring to conduct tasks that do not necessarily incorporate her job description and title. This data shows that employees are afraid to go over the boundaries of their title and thus feel encouraged when receiving responsibilities that do not necessarily fit in their job description. Finally, the last 2/7 respondents explained that they have been able to use their full potential at work because they have been given the space to do what they are good at. Additionally, according to the respondents it has increased their motivation because they have been given the possibility to master their skills at work. With this data in mind, employees are empowered by situations where they feel they are able to shine. Every employees' *full potential* differentiates from one another, but this data shows that whatever and how high this potential is, it is crucial for it to take place at work in order to enhance and maintain the employee's motivation.



In the next question in the interview, respondents were asked to choose an answer from closed-ended alternatives. The employees were asked how they would feel about receiving trustworthy responsibilities and the alternatives for answers were

a) more motivated or

b) more insecure.

As usual, respondents were asked to justify their answer and explain why they chose this alternative. The results appeared clear: 100% of respondents chose the alternative a) more motivated. The division of reasoning why respondents feel trustworthy responsibilities would give them more motivation is illustrated in the graph below.

**8. If you were given trustworthy responsibilities, how would you feel about it? Please choose one of the options and explain why:**  
**a) more motivated**  
**b) more insecure**

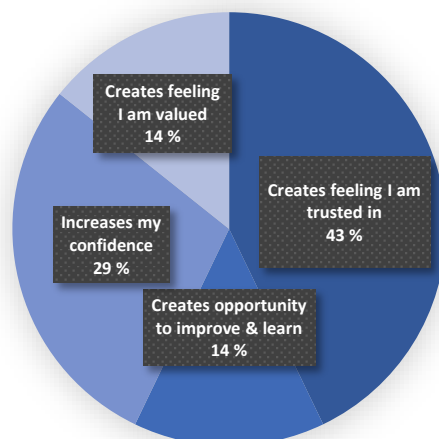


Figure 12 Question 8 results

As the data shows, 3/7, justified that they feel trusted when they receive a trustworthy task. According to these respondents, being an employee who can be trusted in increases their motivation. Employees who receive tasks that require responsibility shows that their manager perceives them as trustful and that brings their motivation up. Tasks that require responsibility are seen as special and if an employee are delegated to carry out this task, it makes them feel purposeful. Trustworthy responsibilities in an everyday retail environment could be for instance completing the sales books for the previous week or make decisions that deals with visual merchandising and product display at the store. Therefore, according to respondents, carrying out responsibilities increases their motivation because they feel that since they were given this task, the manager believes in them. Thus, they are motivated to conduct the task as well as

they can in order to keep receiving these responsibilities in the future. Consequently, the next respondents, 2/7 as the graph displays, explained that employees would feel more motivated because it increases their confidence. When employees are given trustworthy tasks, they become more confident because the manager shows trust in them. Usually these tasks are given to an employee who is seen adequately capable of carrying out the tasks - tasks not being too easy nor too difficult. Therefore, when an employee receives a task, she is most likely able to carry it out without significant difficulties and thus, this boosts up her confidence. Moreover, one respondent discussed that receiving trustworthy tasks makes her feel valued. Being trusted and valued go hand in hand - this data shows that when employees are given responsibilities, it makes them feel important and useful. According to this data, an employee who is given trustworthy tasks feels herself and her work important because usually tasks that requires responsibility, are in fact important. Lastly, one respondent explained that these tasks makes her more motivated because it gives her an opportunity to improve and learn. Tasks that require responsibility are often more challenging than everyday tasks in retail store and thus creates various possibilities to learn. When same tasks are conducted from one day to another, employees no longer encounter challenges, and this might create stagnation in their development. Thus, having employees to conduct tasks that involves responsibility gives them space to grow and opportunity to develop their expertise further.

Next question in the interview was a continuation from the previous question. Respondents were asked how they would feel if after they were given the trustworthy task, their manager either

- a) conducted close supervising in order to make sure they do not fail the task or
- b) allowed you to perform independently.

Again, results were aligned with each other and all 7 respondents answered the alternative b) perform independently. Similarly, to the previous question's results, majority of respondents explained that allowing them to perform independently increases their motivation because it gives a feeling of trust. This justification came from 5 out of 7 respondents, which makes it 71% of the respondents. Detailed illustration is shown below.

**9. After given the trustworthy task, the store manager does the following:**  
**a) conducts close supervision in order to make sure you do not fail in the task**  
**b) allows you to perform independently**  
**Which one of these options would motivate you more? Why?**

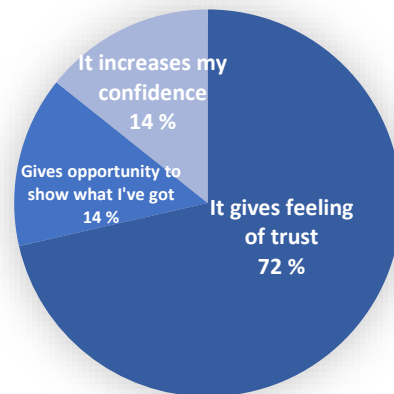


Figure 13 Question 9 results

This data shows that trusting in employees when giving responsibilities is significant in terms of their motivation. According to these results, it is not only important to trust in giving them responsibilities but also to trust them enough to allow them to perform independently. According to this research data, if an employee is given a trustworthy task but then showed lack of trust by supervising her closely while working, it decreases her motivation. According to the respondents, if these tasks are given to them, they expect they are trusted to complete it - why would they be given this task at all if they were not competent enough to accomplish it in the first place? Consequently, providing challenges and allowing employees to independently complete them are crucial in terms of their motivation. Furthermore, one respondent stated that her motivation increases when she can independently accomplish tasks because it gives an opportunity to show what she has got. In fact, it is difficult for employees to show what they are capable of if they are never provided that chance. Everyday tasks in retail store follow relatively same routines and thus it prevents the employees to show whether they possess expertise or knowledge in some specific field. Therefore, challenging tasks like taking responsibility of stocktake or organizing a stockroom might induce new skills and fields of expertise in someone. Providing opportunities to show their abilities are essential in terms of their motivation. Lastly, one respondent stated that she feels more motivated in independent tasks because it increases her confidence. As similarly explained in the previous question's analysis, working independently increases employee's confidence because she feels she is trusted in to carry out this task and is most likely able to accomplish it successfully. This research data shows that

small victories like these, impact positively on employee's confidence and thus her work motivation.

The last question in this responsibilities and challenges category included another close-ended question. This question handled the nature of the task and its impact on work motivation. The respondents were asked which one of the three options would motivate them more:

a) easy and effortless tasks

b) challenging tasks or

c) a mix of both.

The alternatives that were chosen by the respondents were alternatives b and c. No respondent told that easy and effortless tasks would motivate them alone. From the two other alternatives, majority of the respondents, 6/7, chose the alternative c) mix of both. One respondent stated that challenging tasks motivate her the most. An illustration of the division of answers are shown in below figure and the analysis of the answers are described in the following text.

**10. Which one motivates you more? Please choose one of the options and explain why.**

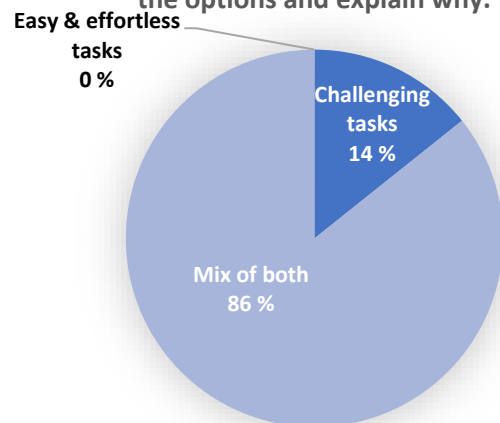


Figure 14 Question 10 results

When employees were required to explain their choices, four of those respondents who chose the alternative c, told that a mix of easy and challenging tasks motivates more because easy tasks create a feeling of success and in turn, challenging tasks create opportunities to learn and improve. These four employees stated that it is important to obtain challenging tasks in order to learn new, but equally important it is to have easier tasks in between in order to feel accomplished and succeeded. Thus, a mix of both easy and challenging tasks maintains balance - work does not seem too easy nor too difficult. This research data shows that it is important to give employees feelings of success with easy tasks but giving only task that do not require

an additional effort prevents the employee's development. Therefore, placing challenging tasks in between these light everyday tasks gives possibilities to improve. Similarly, one respondent justified that her motivation increases by a mix of easy and challenging tasks because endless challenges would only decrease her motivation. In other words, if an employee faced consequent challenges every day without the feeling of small victories in between, she would be unmotivated. Encountering endless difficulties induce frustration and thus decreases work motivation. Furthermore, one respondent explained that she gets motivated by a mix of easy and challenging tasks because when easy tasks are done in everyday life at work, obtaining challenging tasks thus feel more special. According to this respondent, easy tasks are conducted consistently every day which are perceived as the norm. When a challenging task is given, it feels more special and thus increases motivation because it is usually not incorporated in everyday work. Since 85% of the respondents chose the alternative that a mix of both easy and challenging tasks are more motivating, it can be concluded that giving both kinds of tasks increases work motivation remarkably. According to these results, employees enjoy feeling of success and accomplishment but strive for challenges in order to improve themselves. Additionally, challenging tasks in between easy ones create different content to work life making it more interesting. In contrast, the last respondent chose the alternative b) challenging tasks to be more motivating. This respondent reasoned it with saying that challenging tasks gives opportunities to learn and grow - which aligns with other respondents' opinions as well. However, this respondent preferred challenging tasks over easy tasks or mix of both. Nevertheless, regardless of the different justifications and answers it can be clearly seen from the results that challenges are vital in maintaining as well as increasing employee motivation.

#### 4.4 Appraisal & Feedback Analysis

The interview continued with questions about appraisal and feedback. This category aimed to find out the nature and importance of appraisal and feedback in terms of work motivation. In this context, feedback incorporated both positive as well as negative feedback.

In the first question, the respondents were asked to scale the importance of feedback in terms of motivation from one to three as follows:

1: not important

2: somewhat important and

3: very important.

The respondents were then required to explain why they chose this number to represent the importance regarding their work motivation. The results of this research question are presented in the graph below.

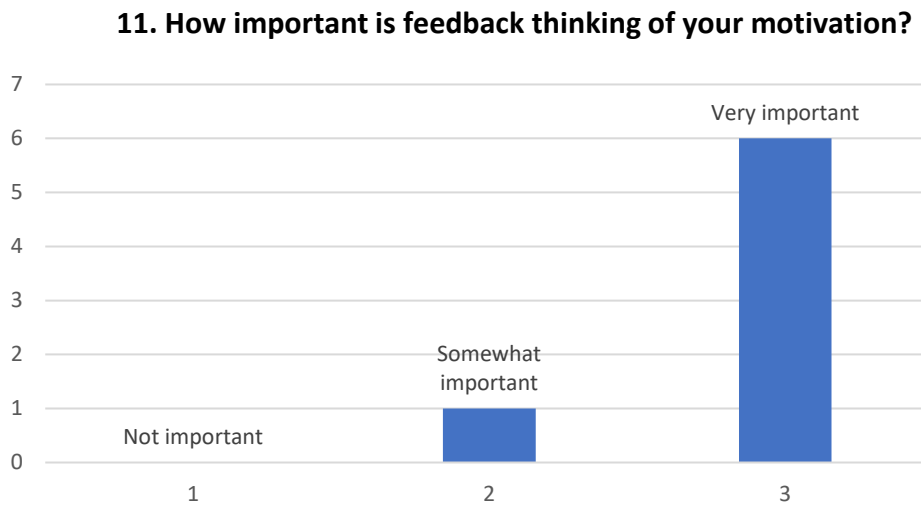


Figure 15 Question 11 results

Y-axis: number of respondents

X-axis: alternatives 1: not important, 2: somewhat important and 3: very important

As the visual illustration shows, 6/7 respondents answered that in a scale of one to three, they chose option three. Thus, they think receiving feedback is very important in terms of their work motivation. Additionally, majority of these respondents who chose option three, 5 respondents explained that the reason why feedback is very important is because feedback provides opportunity to see where the employee has succeeded and where she needs improvement. These employees stated that without feedback, they would not know where they are performing well and what they need to work on. Furthermore, these respondents explained that both positive and negative feedback is welcomed - positive feedback consolidates the good performance and confidence whereas negative feedback helps to spot weaknesses and give direction in order to develop. This research data shows that since majority of respondents told feedback is very important in terms of their motivation, it should not be neglected by managers. With this in mind, it is unreasonable to require top performances from an employee if she has not been given feedback in order to acknowledge where the improvement is needed. Lastly, one respondent chose alternative 2, stating that feedback is somewhat important for her motivation at work. She explained that feedback does have an impact, for instance positive and constructive feedback is what she prefers but it is not the most important thing in terms of her motivation. Finally, no respondent chose the alternative 1: not important. This data shows that feedback, both positive and negative, is crucial for increasing employee motivation. Employees need to acknowledge their weaknesses in order to improve them and in turn, acknowledge their

strengths in order to feel confident of themselves. Thus, providing feedback is an essential tool the managers can give employees in order to increase their motivation at work.

The research interview continued with a question about the nature of the feedback. The respondents were asked what kind of feedback is important for their motivation. The results showed four different variations of the nature of the feedback the employees think are important. The variations are shown in the pie chart below.

### 12. What kind of feedback is important to your motivation?

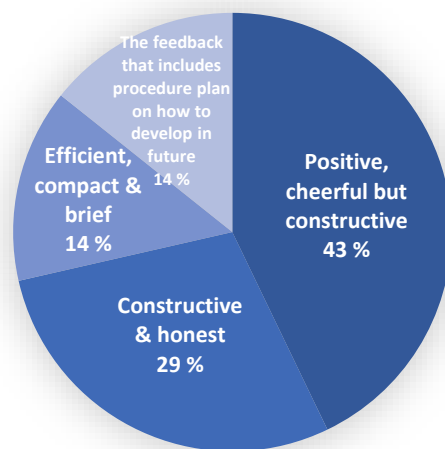


Figure 16 Question 12 results

3/7 respondents stated that in order to maintain their motivation, positive, cheerful but constructive feedback is the most important. This data shows that nearly half of the respondents prefer feedback to be simultaneously positive but also include areas of improvement. Managers should thus not only to praise employees positively but also give them unique and constructive feedback according to the individual's own fields of improvement and possible weaknesses. Consequently, similar are the next research results: 2/7 respondents justified that they prefer their feedback as constructive and honest. Thus, employees appreciate honest feedback in addition to constructive. Oftentimes both the manager and the employee are aware of possible problems or improvement spots the employee has. According to the respondents, providing honest feedback is essential in tackling those problems and makes communication more open and genuine. On the other hand, 1 respondent prefers an efficient and brief feedback. She stated that the most important form of feedback in terms of her motivation is minimal, compact and contains only the essentials about a problem. Or in turn, feedback can also be positive but should still be kept brief. According to this respondent, the best feedback is the type that can be said in the store during workday - a good pat on the back for a good performance or sales with customer or a brief comment on how to perform better next time. Lastly, 1 respondent

explained that the best feedback is the kind that includes a plan how to proceed. According to this respondent, the most important feedback does not only provide comments where the employee has been good at and where she needs to improve in, but also a procedure plan. The respondent stated that it is important to be aware of the fields of improvement, but it is more important to receive a clear plan how the weaknesses can be improved. This data shows that employees do not only need feedback but also help in proceeding and tackling the problems. For instance, an employee could be struggling with low “unit per transaction” in her personal KPI numbers. KPI stands for Key Performance Indicators that incorporates numbers that measure the level of performance of the Calvin Klein Outlet store on a daily, weekly and monthly basis. One of the KPI’s the stores measure is unit per transaction, UPT for short, which measures the amounts of units (products) one customer purchases on average. Unit per transaction has nothing to do with the amounts of sales, it only measures the quantity of products one customer buys on average. Therefore, if an employee struggles with UPT being too low, a manager could give her feedback and explain what the employee is doing wrong. Explaining constructively and giving advice, the manager could give concrete examples on how the employee could improve herself in add on sales and selling skills. This is an example of a feedback with a clear procedure plan the manager could provide after spotting the employees problem.

Furthermore, the respondents were asked which way they would prefer the feedback to be given. This question was a close ended-question and thus incorporated alternatives to choose from. The alternatives were either

- a) one to one in person, or
- b) publicly within the team.

The results showed that 100% of respondents would prefer feedback to be given one to one in person. When respondents were required to justify why this would be the preferred way, three different reasonings occurred. The justifications and divisions are displayed in the following pie chart.



**13. In which way would you prefer this feedback to be given:**  
**a) one to one in person**  
**b) publicly (within the team)**

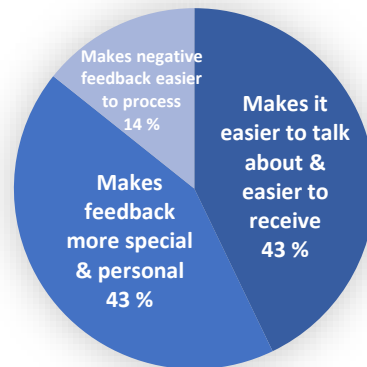


Figure 17 Question 13 results

As the chart shows, 3/7 respondents (43%) told that they prefer feedback to be given one to one because it is then easier to talk about it and easier to receive the feedback. Feedback often includes going through problem areas or difficulties and thus talking about it one to one makes the discussion trustful. Talking about the employee's improvement areas would be too sensitive to discuss around others. Additionally, when feedback is discussed one to one, it provides an opportunity to go through employees' successful as well as not as successful performances in detail and in a safe environment where employee does not have to fear judgements. As respondents also stated, it is easier to receive feedback when it is discussed one to one. This data means that employees feel that feedback is easier to take in when there is no pressure around. For example, a manager can provide one to one feedback to an employee easily taking a quick 15-minute feedback session where both parties sit down together before the employee starts her shift. For instance, the office room of the store provides a space to discuss and give feedback to employee, one to one. Furthermore, 3/7 respondents (43%) justified that they prefer feedback to be delivered personally one to one, because the feedback then feels more special and personal. According to these respondents, both negative as well as positive feedback is better to give personally in order to make the feedback more valuable. The respondents stated that for instance a positive feedback feels more valuable and special when the appraisal is given to them personally, not just told during team meeting around everyone. Respondents thus said that they cherish this feedback more when it is given one to one. The last respondent, 1/7 (14%) explained that feedback is easier to process when discussed one to one, specifically when it is something negative. As already mentioned above, one to one-discussions create a safe and trustful environment to go through improvement areas. Thus, this respondent also preferred that especially when negative aspects are discussed, personal feedback is better in order to be able to better process it.

In addition to all respondents choosing the alternative a) one to one in person, some extra comments occurred by the respondents. Four respondents added that even though they would prefer personal feedback over public feedback, some things can still be said publicly, among the team. For instance, positive feedback and great achievements could be told publicly among the team and that would make the employees feel proud of themselves. For instance, high sales achievements or someone receiving great customer service feedback are matters that could be shared among the whole team in a team meeting. On the other hand, 2 respondents added that even if feedback was positive, they would still prefer it to be given personally. This data shows that since all respondents preferred personal feedback over public feedback, it is better to give feedback always personally. However, if a manager wants to praise an employee around others, it is crucial to know beforehand whether this employee agrees with this. In general, this data verifies that in order to enhance employee's motivation, feedback is crucial, and it is the most fruitful, trustful and safe when it is given personally to the employee.

Finally, last question in this category dealt with appreciation. The respondents were asked whether their motivation increases when their work is appreciated. As a result, all 7 respondents stated that their motivation does indeed increase when their work is appreciated. Consequently, respondents were asked to explain why it increases their motivation and what it makes them feel when their work is appreciated. The justifications were relatively similar to each other and divided evenly among respondents. Results are shown below in figure 18.

**14. Does your motivation increase when your work is appreciated? Why?**



Figure 18 Question 14 results

The first 2/7 respondents explained that their motivation is increased when they are appreciated is because it makes them feel important and purposeful. That is to say, even in big and international corporations like PVH, it is crucial that the employee feels herself important,

both in the team and in the company. These respondents stated that when they feel appreciation from their co-workers and manager, they feel that they have a purpose in the work they do and that their work is important. For instance, employee might get noticed doing great job folding products on shelves extra neatly and receives positive feedback from her manager and co-workers. Thus, she feels that since she worked hard folding on those shelves, her output is important. Similarly, 2/7 respondents explained that when their work is appreciated, they feel more motivated because it makes them feel they have done something right. According to these respondents, acknowledging their good work consolidates their feelings that the output they have given has been done correctly. As discussed earlier in section 4.1, employees are confident when they know exactly what they are supposed to do. Thus, when employees are appraised for their good work and shown appreciation, they feel they have done work correctly - and thus feel confident and eventually, motivated. Consequently, another 2 respondents told that when their work is appreciated, it makes them feel that the work they do, matters. According to these respondents, employees want to feel they really matter to the company and their team - and this can be felt by receiving appreciation. Similarly, the last respondent stated that her motivation is increased when her work is appreciated because it makes her feel her hard work has been acknowledged and paid off. According to this data, when an employee does an exceptional job, her motivation is increased when her work has been seen by her manager or co-workers. According to this respondent, a work well done is a waste of time if her good work gets unacknowledged. Thus, even a quick positive comment on a good performance makes employees feel their work has paid off and their skills and strengths have been seen. These results show that it is clear that employees need to be appreciated for the work they do. Appreciation makes them feel confident, shows they are purposeful and important, acknowledges that they have done work correctly as well as lets them know they are valued and that they matter. As the empirical results show, all of these beforementioned are factors that positively impact on their work motivation.

#### 4.5 Incentives Analysis

The last category in the interview incorporated questions about incentives. As already mentioned in section 2.5, incentives are rewards that encourages a person to do something. The last questions of this research interview dealt with incentives in the field of retail business and aimed to figure out what incentives would drive the employees in Calvin Klein Outlet.

##### 4.5.1 Nonmonetary Incentives

The first question dealt with what the store manager could do in order to motivate employees more. The results are displayed in figure 19 below.

**15. What could the store manager do in order to motivate you to perform better in your job?**



Figure 19 Question 15 results

Firstly, 3/7 respondents answered that the best nonmonetary motivator from store manager is by cheering and giving positive feedback. According to these respondents, when a store manager is cheerful and appraises employees after a job well done, it increases their motivation. Thus, in order to receive this appraisal from their superior, they are motivated to accomplish tasks successfully. If they do, they receive positive feedback from their store manager and that motivates. This empirical data shows that nearly half of the employees feel that their motivation is increased by knowing that if they successfully accomplish a task, they will receive appraisal from the store manager which makes them feel good about themselves. Consequently, one respondent stated that in order to motivate her more, a store manager could conduct regular check-ups with every employee. According to this respondent, regular check-ups would enable open communication with the store manager regarding the employee's feelings and possible questions. She stated that this is an effective nonmonetary incentive for her to increase and maintain her work motivation and job satisfaction. By regular individual check-ups, the store manager is able to give personal attention to each employee and thus, making time for personal meetings makes employees feel important and appreciated. The next respondent stated that the best nonmonetary incentive in terms of her motivation are challenges and the opportunity to improve. According to this respondent, it increases her motivation if store manager gives tasks that are challenging. She added that areas of responsibility increase her motivation - meaning that each employee is responsible for different areas in the store. According to the respondent, obtaining responsibilities from a store manager is motivating because it provides an opportunity to improve. Consequently, the next respondent explained that she in turn, gets motivated if store manager gives constructive feedback. According to this respondent, the best nonmonetary way to motivate an employee is to give her constructive feedback

and advice to develop. This respondent feels that it motivates, when store manager offers possibilities to make improvement. Lastly, the last respondent told that providing a positive atmosphere is the best way store manager can motivate employees without money. According to her, working in a positive environment is more enjoyable and thus motivation is increased. Store manager can create a positive and cheerful environment by showing example and being positive herself. Thus, this data shows that a positive and cheerful working environment can increase employee motivation and does not cost the company anything financially.

Consequently, the respondents were then asked what nonmonetary incentive they would appreciate, if they had the opportunity to choose. The respondents were allowed to answer multiple incentives and hence the total sum of the answers exceeds the total number of respondents. The following graph contains all the answers that occurred in the interview. The incentives are accompanied with the number of votes each answer gained. In other words, the number located in the y axel in the graph indicates the amounts of respondents who chose that incentive to be motivating incentive for them.

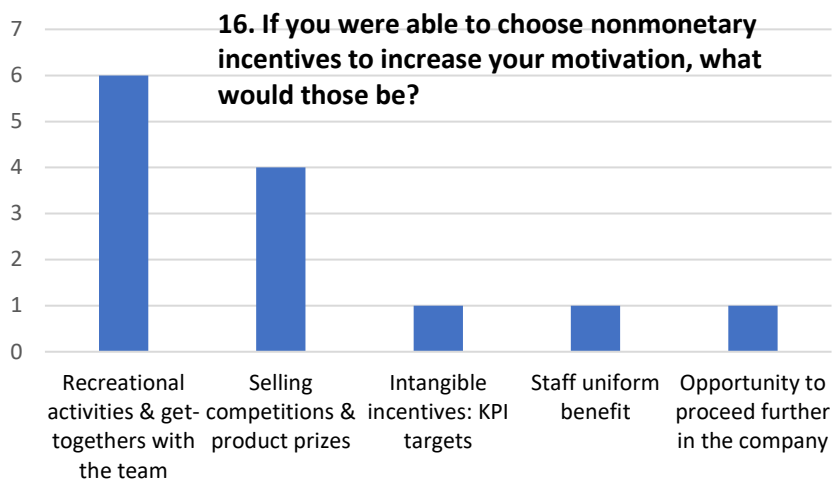


Figure 20 Question 16 results

Y-axis: number of respondents

X-axis: motivational nonmonetary incentives

As the graph displays, recreational activities and get-togethers with the team gained most votes. This empirical research shows that a nonmonetary incentive that motivates majority of the employees in Calvin Klein Outlet the most are activities and entertainment outside work. According to the respondents, having fun outside work increases the team spirit and thus impacts positively on their work motivation and wellbeing. Recreational days increase financial costs for the company but for employee they are free of charge. However, this research shows

that 6 respondents out of 7 indicated recreation days being one of the top nonmonetary motivators for them in Calvin Klein Outlet. Thus, the financial investment the company has to make is relatively small thinking of the positive gains and long-term benefits it offers. Furthermore, selling competitions and product prizes were the second most voted nonmonetary incentive in this research interview. Four respondents mentioned the selling competitions and the products they are able to win from them as motivational factors. Often there are competitions that aims to develop employees' sales skills and effort by starting a competition - the winner receives a product prize from the store's collection, a t-shirt for instance. Product prizes are nonmonetary incentives for employees because they receive a tangible product, not money. That is to say, product prizes are an efficient incentive for the company since the value of an unsold product is a small cost for the company. In turn, intangible incentives, such as KPI targets, also got one vote. One respondent stated that she is not motivated necessarily from tangible and material prizes - she is motivated by reaching the KPI targets set as a team or especially, individually. In other words, this employee chose KPI target setting to be the most motivating nonmonetary incentive for her. For instance, if her personal goal is to double her unit per receipt for next week, she is motivated to reach that goal. This data shows that nonmonetary incentives can also be the feeling of success and accomplishment the employee feels. The next respondent told that the most motivating nonmonetary incentive is the staff uniform benefit that is provided to Calvin Klein Outlet employees. The employees are offered clothes from the current collection to wear at work in order to inspire themselves as well as the customers. According to this respondent, this nonmonetary benefit motivates and strengthens her excitement at work. Lastly, opportunity to proceed further in the company gained one vote among the respondents. This respondent explained that the biggest motivator that does not include financial gaining is the opportunity to proceed and career development in the company. According to this respondent, she is motivated to perform well because she is enthusiastic to develop her career further within Calvin Klein and PVH. She told she is aware of the career possibilities in PVH and is thus motivated to carry on good work. This data displays that there are variations of nonmonetary incentives that motivate employees, but the clearest result is that most employees get motivated by recreational days and fun gatherings outside work that enhances team spirit, good energy and friendship among employees.

#### 4.5.2 Monetary Incentives

Additionally, the category of incentives also incorporated questions about monetary incentives. The monetary additions retail employees are able to obtain were discussed in detail in section 2.5.

Employees were asked to rate how important monetary incentives were in terms of their motivation, and the alternatives the respondent were to choose from were:

1: not important

2: somewhat important and

3: very important.

Question 17 results are shown below.

**17. How important are monetary incentives for your motivation?**

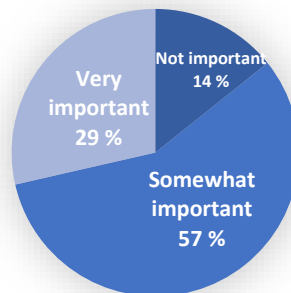


Figure 21 Question 17 results

The results to the question are showed in the pie chart above. Alternative 1: not important was chosen by 1/7 respondents. According to this respondent, monetary incentives are not important in terms of her motivation. Thus, she stated that she feels as motivated working on Mondays as she does on Sundays. This respondent explained that other aspects are more important when it comes to work motivation. Consequently, the alternative 2: somewhat important was chosen by majority of the respondents, 4/7 respondents, to be exact. According to these four respondents, monetary incentives are relatively important and evening as well as weekend additions play a part in terms of their motivation, but it is not the most important factor. These respondents explained that monetary incentives motivate to work on weekends which is usually a time for socializing, but it is not the most important thing regarding their motivation in general. Additionally, it occurred from the interview that money does indeed motivate employees but more important in terms of their motivation is that they like their job. Finally, the alternative 3: very important was chosen by 2/7 respondents. According to these employees, evening and weekend additions pay off after working a long week. For instance, after a busy week, working on a Sunday feels more rewarding when knowing the salary will be doubled. According to these two respondents, the additions also motivate to work on weekends because it assures the next pay-check being greater. In essence, this empirical data shows that employees perceive monetary incentive as somewhat important but not as the most important factor for their motivation.

Next, the respondents were asked what monetary incentive they would appreciate. As discussed earlier, mostly without exception, the Collective Agreement is followed in Finland to ensure equal guidelines to every employee regarding the salaries in retail stores. The respondents were allowed to suggest any monetary incentive that would hypothetically motivate them the most. The results are displayed in the following pie chart.

### 18. What kind of monetary incentive would you appreciate?

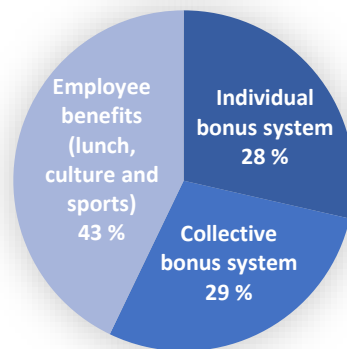


Figure 22 Question 18 results

Consequently, the results divided relatively equally. 2/7 respondents explained that in terms of their motivation, the best monetary incentive would be a bonus system for each individual employee. Employee's would receive bonus whether they reached their individual sales goals for a set period of time. These respondents told that individual goals motivate them more than group goals. Thus, a bonus in their pay-check at the end of the month would motivate them to perform better. In contrast, another 2/7 respondents stated that they would become more motivated by group goals instead of individual goals. According to these two respondents, it would motivate them to perform better if the whole group received a bonus after reaching a specific sales goal together. A group goal would eliminate possible lack of equality and thus promote team spirit. Furthermore, the last 3/7 respondents explained that a monetary incentive they would appreciate were lunch benefits, culture benefits, exercise benefits as well as an E-Pass. These beforementioned benefits are benefits that an employer can offer to its employees in order to enhance their wellbeing (Smartum 2020.) In addition to lunch benefits, with culture and exercise benefits employees are eligible to go and enjoy cultural activities or make payments for their gym membership. This empirical data shows that even though monetary benefits are not the most important factor to increase motivation, employees would appreciate receiving them in some forms. According to this data, the incentives that majority of employees would appreciate are relatively simple. The abovementioned monetary benefits are linked to cultural activities, food and sports which are all essential factors of increasing wellbeing.



Thereupon, monetary incentives are efficient way to maintain employee wellbeing and eventually, motivation.

Lastly, the respondents were asked about the connection between being aware of a monetary incentive and level of performance. The results were straight forward, and it can be seen in the following pie chart below.

**19. If you were given a task knowing that you would receive a monetary reward after carrying it out successfully, would that motivate you to perform better in your job?**

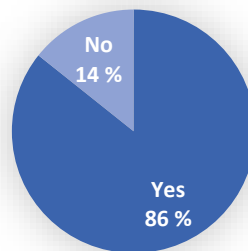


Figure 23 Question 19 results

6/7 respondents said that they would be more motivated if they knew they were to receive a monetary reward after succeeding in a task. According to these respondents, knowing they would receive extra to their pay-check pushes them do extra work. That is to say, when employees know they are receiving more, they strive to give more. Thus, this data clearly displays that monetary rewards can push employees to work harder and make extra effort. In turn, 1 employee stated that no matter the incentive, she would work hard in any case. In other words, she stated that whether or not she was receiving a monetary reward, she would still work as hard as she always does. That is to say, monetary rewards do not affect everyone, but majority of employees. It can be concluded from these research results that monetary rewards that act as incentives, could be somewhat useful. This empirical data shows that employees do feel that the evening and weekend salary additions motivate them to give up on their leisure time and work on weekends. Additionally, monetary incentives would motivate them to work harder if they knew they were to receive a reward. However, when asked to rate the importance of monetary incentives in terms of their motivation, majority of employees still rate monetary incentives as somewhat important. In other words, monetary incentives can be effective but do not act as the most effective motivating factor to increase employee motivation.

## 5 Conclusions & Recommendations

In this section, conclusions of the empirical findings are presented and recommendations to the company discussed. The conclusions are based on the empirical research and its findings and this section sums up the four main factors that motivate Calvin Klein Outlet employees. Additionally, incentives that can be used to increase motivation in Calvin Klein Outlet are explained in this section. All motivational factors are accompanied with a concrete suggestion how the company can implement them in real life. Lastly, motivational factors and incentives are supported by existing theories that were explained in the beginning of this thesis.

### 5.1 Factor 1: Fulfilment of security, stability & confidence

To begin with, the first factor that affect employee motivation in Calvin Klein Outlet is the adequate fulfilment of basic needs at work - which includes stability, safety and confidence. When Calvin Klein Outlet employees feel secure about the stability of their work and its continuity, they are motivated and committed to work for the company for longer. Thus, stability of employment impacts positively to employee motivation and it is a fundamental factor in terms of employee needs. The theory about Maslow's Hierarchy of Needs discussed earlier in this thesis aligns with the research results - as Maslow described, physiological needs are the first basic needs for a human being. In terms of work life, written contract and employment stability is the core that employee relies her employment and trust on. Additionally, employees in Calvin Klein Outlet are more motivated when they possess a contract with set amounts of hours. Being employed and certain it will be continued is the core and without it, there is no motivation whatsoever. With this in mind, the company should keep making written contracts as it already does but minimize so called zero-hour contracts, since these employees feel less stable about their contract and continuity of employment. Consequently, employees' needs are adequately fulfilled and employees in Calvin Klein Outlet feel motivated when they feel safe at work, physically as well as mentally. Again, this research data can be supported by Maslow's theory of human needs. The next level that occurs in Maslow's Hierarchy of Needs was the safety needs - all things being in order, having existing rules and laws and a structured and predictable life. In the employee's world in Calvin Klein Outlet, work schedules released well in advance and clear routines enhance the structure and feeling of safety. Thus, it can be concluded from the empirical findings that in order to motivate employees in Calvin Klein Outlet, the employees must feel safe. Physical safety can be increased with proper emergency systems such as emergency button, whereas mental safety is created by the team members and the store manager. Thus, in order to motivate employees, the store manager can create a trustful and safe environment and maintain routines, rules and norms that the whole team can follow in order to feel structured and eliminate unpredictability. Lastly, employees' needs are fulfilled, and motivation increases when employees in Calvin Klein Outlet feel confident. When

employees know what they are supposed to do, they feel confident and thus are more motivated. Confidence increases expertise and mastering in their job enables employees to feel good and proud about themselves. This empirical result aligns strongly with Maslow's theory of esteem needs. As discussed earlier in this thesis, esteem needs are one of the needs in Maslow's theory. According to this theory, human beings need to feel competent, important and valued by others in order to fulfil the esteem need. In order to make employees feel confident, the company should invest in regular coaching sessions where employees can learn skills in selling and develop their product and material knowledge in order to feel competent. A proper training enhances employee's feeling of confidence and thus increases motivation.

## 5.2 Factor 2: Positive & Trustful Working Environment

The second factor that affects employee motivation is a good working environment. Research results show that good working environment is positive and incorporates mutual trust between employees as well as equality among team members. Positive working environment is a motivational factor for Calvin Klein employees because cheerful working environment empowers employees to perform better. As can be concluded from the research results, Calvin Klein employees perceive their working environment as friendly and family-like where employees empower each other to perform better, which increases motivation. Creating a positive environment is the store manager's responsibility. In order to create this environment, the store manager needs to show example by possessing a positive and ambitious attitude towards work. Additionally, a positive working environment consists of trust. Mutual trust between co-workers has a positive impact on work effectiveness, because employees can trust each other that tasks are getting accomplished accordingly. It can be concluded from the research results that Calvin Klein employees perceive trust as an important part of good and enjoyable work atmosphere. Finally, being treated equally constitutes to a good working environment. Calvin Klein employees prefer low hierarchy between employees because it enhances equality and makes them feel they are as valuable as others. In other words, regardless of title, age or experience for instance, low hierarchy within the team increases motivation because everyone is treated the same way. All of these beforementioned - positivity, trust and equality - are aligned with Maslow's motivation theory. As mentioned earlier in this thesis, according to Maslow, humans need to feel that they belong to something. Thus, working environment falls into the love and belongingness need in Maslow's Hierarchy of Needs that was described earlier in this thesis. Positive working environment that constitutes mutual trust and feeling of equality fulfils the needs of belongingness. Calvin Klein employees are motivated when they belong to something and perceive themselves as valuable as others - in other words, their belongingness needs are replenished. The company can enhance employee motivation by treating all employees as valuable as others, regardless of their hours in the contract, title or work experience. The store manager can create an equal relationship to every team member in order to maintain equality as well as regularly ask how team members are doing in order to enhance trust.

### 5.3 Factor 3: Opportunity for Challenges, Trustworthy tasks & Independency

The third motivational factor that affects employee motivation in Calvin Klein Outlet is receiving responsibilities and challenging tasks. It can be concluded from the empirical results that it affects positively on Calvin Klein employees' motivation when they receive trustworthy responsibilities and challenges at work. Giving responsibilities to employees not only enhances their competence, but also enables them to use their full potential at work. As discussed in the empirical analysis section, employee's full potential indicates the highest skills and performance an employee is able to do. Thus, giving responsibilities is an essential possibility for an employee to utilize her best skills and competence she possesses. Similarly, being able to use full potential strongly links to Maslow's theory about human needs. As the theory section in this thesis displays, according to Maslow, the highest need a human being strives to reach is self-actualization needs. Those needs incorporate the individual's desire to reach the ability to express herself fully and being able to use the best skills one has. Therefore, it is important that Calvin Klein employees are able to use their full potential at work, because it impacts positively on their motivation. Based on this data, it is essential that the store manager gives responsibilities to employees to create a platform for employees to develop and use their best skills. In order to create challenges to employees, managers need to delegate trustworthy tasks to employees. Giving trustworthy tasks to employees gives responsibility that is vital in order to employees to develop. Consequently, managers giving trustworthy tasks to employees suggests that the team or organisation should follow the management style according to Theory Y by Douglas McGregor. Therefore, it can be concluded from the empirical data that Calvin Klein employees want to receive trustworthy tasks and once they do, it makes them more motivated. These results are aligned with McGregor's Theory Y, because it shows that employees are willing to work and strives to receive challenges - in other words, they want to work and wish to develop themselves, they do not work only because they have to. This being said, the company should thus follow McGregor's Theory Y method and treat its employees as motivated by nature and desired to work. Additionally, empirical data clearly concludes that Calvin Klein employees should be allowed to perform independently. In the same fashion, McGregor's Theory Y aligns with this empirical data that Calvin Klein employees are more motivated when they are allowed to work independently. In contrast, following the Theory X would mean that managers would closely supervise employees and their work in order to make sure no mistakes occur, which creates lack of trust. Conversely, Calvin Klein Outlet employees should be allowed to work independently because trusting their competence increases their motivation. Lastly, to conclude from the empirical data, Calvin Klein employees should be given variety of challenging tasks as well as easy tasks in order to motivate them. Giving a mix of challenging tasks as well as easy tasks enables employees to face challenges in a moderation but lets them feel success with easier tasks. The employee's esteem and self-actualization needs are replenished when she can feel proud of herself accomplishing tasks but obtain challenges from time to time which

enhances self-actualization. Thus, Calvin Klein employees should be given both challenging as well as easy tasks in between in order to motivate them.

A concrete example could be giving small projects for employees to lead. For instance, preparing promotions and events such as Black Friday weekend or stocktake, could be organized by an employee. Preparing promotions are obviously conducted as a team but if an employee can take the lead and be responsible for preparations, it would be a huge motivational factor for a person who wants challenges and independency. This way, Calvin Klein Outlet employees would obtain possibilities to enhance their organizational skills, develop their competence and challenge them besides their ordinary days at work. Responsibilities assure they are trusted in and capable of carrying out challenging work and hence they become more motivated.

#### 5.4 Factor 4: Positive but Constructive Feedback & Feeling of Appreciation

The fourth factor that affects employee motivation in Calvin Klein Outlet is adequate positive and constructive feedback. Giving feedback is vital and important to employees in order to be able to develop. The store manager should thus give feedback on a regular basis to Calvin Klein employees in order to maintain their motivation. Feedback enables the employees to know where they have succeeded and where they need to improve themselves in. By knowing which direction to aim, Calvin Klein employees are more motivated at work. It can be concluded from the empirical data that feedback, especially positive as well as constructive, is an important matter in terms of employee motivation in Calvin Klein Outlet. Employees are motivated at work when they receive positive but also constructive feedback. Provided that, positive feedback links again to the esteem needs by Maslow's theory of human needs. Positive feedback after a splendid performance makes an employee feel proud and successful. However, employees in Calvin Klein should still receive feedback constructively in order to be able to improve themselves. The way the company and store manager can deliver quality feedback to employees are to arrange meetings and feedback sessions one to one with each employee. These feedback sessions enable employees to hear feedback that is personally directed only to them. Feedback sessions enhance feeling of trust, care and shows employees they are worth the store manager's focus and attention. To emphasize, employees prefer receiving feedback only between the two: the employee and the store manager. Giving feedback personally enables an open communication and judgment-free environment and thus helps the employee to receive the feedback. Lastly, feedback is an important factor in terms of work motivation, because employees need to hear and know they are appreciated. Appreciation makes Calvin Klein Outlet employees feel important, purposeful and shows them that their work matters - and that affects positively on their work motivation.

## 5.5 Nonmonetary Incentives to Increase Motivation

In addition to these four factors that affect employee motivation described above, the way this motivation can be increased is through incentives. Firstly, an incentive that the store manager can use to motivate employees to better performance is positive feedback and cheerful attitude. Research results consolidates that employees in Calvin Klein Outlet are empowered and motivated by positive feedback and thus strives for a better performance at work. Adequate appraisal and appreciation that employees receive make them more motivated and hence this nonmonetary incentive can be used to increase motivation. Furthermore, nonmonetary incentives that employees in Calvin Klein Outlet would appreciate are recreational activities and get-togethers outside of work. The empirical data shows that recreational activities that act as nonmonetary incentives could be used to increase employee motivation. Recreational activities as nonmonetary incentives could be events joined collectively such as sports events, a night in a restaurant or casual get-togethers outside work hours that would be sponsored by the company. Recreational activities increase team spirit and makes team members closer to each other. Therefore, a nonmonetary incentive that could be used to increase Calvin Klein Outlet employees' motivation is to arrange activities with the team as a result of exceeding sales budget after each period. Recreational activities sponsored by the company would make employees feel that they have received something valuable in turn of their hard work. Consequently, enjoyable activities together with team members enhances the motivation to perform well at work again in order to reach those goals and rewards.

Additionally, employees in Calvin Klein Outlet are motivated by selling competitions where employees can win product prizes. The fundamental idea of selling competitions are that the employee who wins, gets a product from Calvin Klein collection as a reward. Since recreational activities and competitions are incentives that motivate employees in Calvin Klein Outlet, the company could arrange competitions between Calvin Klein stores in different countries. For instance, a goal is to exceed the sales budget by 20% compared to each store's own sales from last year. As a result, the stores that reach this goal are allowed to use a certain amount of their budget to recreational activities and get-togethers with their team or chosen product prizes from the store. In fact, goals that are reached together as a team enhance teamwork and increase feeling of belongingness. Recreational activities are valuable rewards that the employees would appreciate which can be delivered in a nonmonetary form and has relatively low costs for the company. That way, nonmonetary incentives can be used to increase Calvin Klein Outlet employees.

## 5.6 Monetary Incentives to Increase Motivation

In turn, the way monetary incentives can be used to increase employee motivation in Calvin Klein Outlet is to issue salary bonuses. It can be concluded from the empirical data that employees in Calvin Klein Outlet perceive monetary incentives such as sports, cultural and lunch benefits motivational. The company could use these monetary benefits as incentives to enhance employee wellbeing at work and thus impact positively on their motivation. Even though companies strive to have employees possess inner motivation according to Theory Y, this data shows that Calvin Klein Outlet employees are motivated also by monetary incentives, as Theory X claims. According to Theory X, employees work simply because of financial reasons, and according to this research, monetary matters do play their own role in motivation. Monetary incentives according to the Collective Agreement in Finland are already used and it is true that employees are motivated by evening and weekend additions to salary. That is to say, monetary incentives are important when it comes to employee motivation and it can be concluded from the research that employees put extra effort on work if they are aware of monetary rewards. That being said, since sales associates' salaries mostly follow the Collective Agreement in Finland, the company could implement monetary incentives in the forms of work benefits. Sports as well as cultural and lunch benefits enable employees to support their athletic activities in their free time, enjoy cultural hobbies such as theatre or museum visits and pay their lunch at work or outside working hours. All these incentives would let employees know they are valued, and their work is appreciated and that the company is willing to maintain and enhance employee wellbeing. Monetary incentives such as weekend additions or even bonuses to salary would make employees work harder and in turn, they receive something which has financial value. This impacts positively on work motivation.

## 6 Summary

To sum up, working as a store manager in Calvin Klein Outlet store, the author desired to know what the factors are that motivate the employees she works with. Hence, the objective of this thesis was to find out the motivational factors that affect Calvin Klein Outlet employees and aimed to answer the research question:

*“What are the factors that motivate employees in Calvin Klein Outlet and which incentives could be used to increase it?”*

Utilizing existing theory, accompanying with an empirical research and first-hand data, this thesis was able to successfully carry out its objectives and answer its research question.

The most important findings were that there are four motivational factors that affect employee motivation. These factors are:

- 1) Adequate fulfilment of employees' basic needs such as security, stability and confidence
- 2) Positive working environment that enhances trust and equality
- 3) Obtaining enough independent responsibilities and challenges
- 4) Receiving positive but constructive feedback and feeling of appreciation.

The incentives that can be used to increase this motivation are the store manager creating an enjoyable working environment by providing a cheerful atmosphere and showing appreciation as well as arranging enjoyable recreational days and selling competitions. Additionally, monetary incentives that could be used to increase employee motivation are work benefits such as sports, cultural and lunch benefits and possible bonuses to salary.

It can be concluded that the key of having a fully motivated group of employees must fulfil the four motivational factors with the help of incentives. All these four motivational factors have to be implemented and added non-monetary as well as monetary incentives in order to increase the employee motivation to its highest and reach high-quality performance. Monetary incentives do motivate but employees perceive factors such as adequate confidence, positive working environment, opportunity to challenges as well as importance of feedback and feeling of appreciation as very important factors for their motivation as well.

Most importantly, the research provided insights about what motivates Calvin Klein Outlet employees. This research deepened the knowledge of the author and gave valuable tools that can be used in working life now as well as in the future. This research not only provided insights of the employees' perceptions but also gave an opportunity for the author to learn more about motivation and its importance in work life. Most importantly, the research outcomes provided essential information of how the company and the store manager can implement these four factors and incentives in real life. The research findings and possible incentives are to be presented to the company. Lastly, the outcomes of this research could be used as a part of company trainings for new and already existing store managers in order to enhance their expertise and eventually, employee motivation.



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## Appendix 1: Interview Questions

### Needs

1. Do you feel secure about the stability of your employment in Calvin Klein Outlet and how does that affect to your motivation?
2. Do you feel safe at work? What impact does it have to your motivation?
3. Do you feel confident at work? Why or why not? Please describe how this affects to your motivation.

### Working Environment

4. Please think about the working environment within your team. How does the working environment affect your motivation?
5. Do you feel like you can trust your co-workers? Do you feel this trust / lack of trust impacts on your motivation? How?
6. How does the feeling of being treated equally affect your work motivation?

### Responsibilities & Challenges

7. Do you feel like you have been given the possibility to use your full potential at work? If yes / not, how has that impacted on your work motivation?
8. If you were given trustworthy responsibilities, how would you feel about it? Please choose one of the options and explain why:
  - a) More motivated
  - b) More insecure.
9. After given the trustworthy task, the store manager does the following:
  - a) Conducts close supervision in order to make sure you do not fail in the task
  - b) Allows you to perform independently

Which one of these options would motivate you more? Why?

10. Which one motivates you more? Please choose one of the options and explain:

- a) Easy and effortless tasks
- b) Challenging tasks
- c) A mix of both

#### Appraisal & Feedback

11. How important is feedback thinking of your motivation? 1: Not important, 2: Somewhat important or 3: Very important.

12. What kind of feedback is important to your motivation?

13. In which way would you prefer this feedback to be given:

- a) One to one in person
- b) Publicly (within the team)

14. Does your motivation increase when your work is appreciated? Why?

#### Incentives

##### Non-monetary incentives

15. What could the store manager do in order to motivate you to perform better in your job?

16. If you were able to choose non-monetary incentives to increase your motivation, what would those be?

##### Monetary incentives

17. How important are monetary incentives for your motivation?

18. What kind of a monetary incentive would you appreciate?

19. If you were given a task knowing that you would receive a monetary reward after carrying it out successfully, would that motivate you to perform better in your job?

