



Received: 09 May 2017  
Accepted: 04 October 2017  
First Published: 10 October 2017

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## MANAGEMENT | RESEARCH ARTICLE

# Creating employees' motivational paths in the retail trade

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**Abstract:** This study examines the manifestation of intrinsic motivation by exploring the sources of intrinsic and extrinsic motivation among employees of a retail hypermarket. The research uses narrative and ethnographical analysis from 24 interviews. Two unique dimensions were created for motivational power—source and growth process—for a new typology of work motivation. The typology consists of four processes: intrinsic regulation, intrinsic valuation, extrinsic valuation, and extrinsic regulation. The results show how intrinsic motivation can be reinforced through these processes. Recommendations are presented for different personnel teams in the service sector.

**Subjects:** Business, Management and Accounting; Marketing; Retail Sector

**Keywords:** intrinsic motivation; extrinsic motivation; source of motivational power; growth processes of motivational power; narrative and ethnographical analysis

### 1. Introduction

In the retail sector, as in other service sectors, management constantly strives to motivate their employees to work more effectively and efficiently. This is usually implemented by compensation systems, job supervision, and various wellness programs (Locke, 1976; Staw & Ross, 1985) but with mixed results. One major issue is that the external forces rarely convince the employees personally (Furnham, Eracleous, & Chamorro-Premuzic, 2009). Thus, extrinsic motivation does not transform to intrinsic motivations such as personalization, identification, or internalization. Theoretically and practically, the development of intrinsic motivation is one of the biggest challenges for sales research (Miao, Evans, & Shaoming, 2007; Ryan & Deci, 2000).

### ABOUT THE AUTHORS

All the authors of this study are highly committed to research in the service sector and are interested in the motivational aspects of staff management. Kantanen Teuvo focuses on the field of a consumer research; Julkunen Saara explores leadership among SMEs; Esa Hiltunen has research on work practices in the service sector; David Nickell studies research methods. While each author holds an academic position at their respective universities, they all have extensive industry experience in varied positions as well as on-going collaborations with business practitioners. Because the authors come from different international backgrounds, each was able to provide insights into the service sector of the US and Europe.

### PUBLIC INTEREST STATEMENT

Motivation has been a key issue among service sector leaders over the decades. This study examines the manifestation of intrinsic motivation by exploring the sources of intrinsic and extrinsic motivation among employees of a retail hypermarket. The researchers conducted 24 interviews with employees of a hypermarket by encouraging storytelling. From the interviews, the authors created two unique paths for motivational power—source and growth process—for a new typology of work motivation. The typology consists of four processes: intrinsic regulation, intrinsic valuation, extrinsic valuation, and extrinsic regulation. The results highlight that intrinsic motivation can be reinforced through these intrinsic and extrinsic processes. Recommendations are presented for different personnel teams in the service sector.

This empirical study examines motivation within a sales-oriented retailer, specifically, a hypermarket, by adopting the work of Miao et al. (2007), Pullins (2001), Ryan and Deci (2000), and Tyagi (1982, 1990). Within retail, a great amount of pressure is placed on managers to increase revenue and enhance employees' capabilities (Arnold, Flaherty, Voss, & Mowen, 2009). The retail manager's role has evolved from simply monitoring and controlling workers' tasks to now include coaching and motivating them (Arnold, Palmatier, Grewal, & Sharma, 2009; Bridges, 1994; Lusch & Serpenci, 1990; Shoemaker, 2003). Because of the highly extrinsically-driven environments of grocery chains, the external sources of motivation (sales targets and efficiency) is explicitly and objectively apparent to all employees at the workplace. Thus, we had an excellent opportunity with a hypermarket to analyze whether extrinsic motivation transforms into intrinsic motivation.

There are several studies regarding the impact that intrinsic and extrinsic factors have on intrinsic motivation. For instance, Mallin and Pullins (2009) and Pullins (2001) have shown a lasting dependence of motivational sources. Furthermore, there has been research on intrinsic motivation from extrinsic factors such as climate (Pullins, 2001; Tyagi 1982, 1990), culture (Adler, 1983; Koh, Gammoh, & Okoroafo, 2011), cultural practices (Ryan & Deci, 2000), external reward or compensation (Pittman & Heller, 1987), overall reward and feedback mechanisms (Pullins, 2001) and connections between individual and organizational goals (Miao et al., 2007). Pullins (2001) also showed that job characteristics and flexibility of sales strategies are linked to intrinsic motivation. Miao et al. (2007), and Ryan and Deci (2000) found that different motivational processes lead to intrinsic satisfaction. Satisfaction has been shown to enhance happiness and productiveness among the workforce (Friend, Johnson, Luthans, & Sohi, 2016; Peterson, Balthazard, Waldman, & Thatcher, 2008). Yet, we find that there is a lack of research into the dependencies between intrinsic and extrinsic motivation. As a result, we decided to analyze the intrinsic motivation embedded in extrinsic conditions within a commercially-constrained work community. Our research asks, how is intrinsic motivation achieved in differing situations of organizational life? Our contribution to the sales and motivation research is to clarify the relationship between intrinsic and extrinsic motivation.

We use narrative and ethnographical perspectives to analyze whether employees' subjective interpretations of the motivational forces encourage or discourage their work. A narrative perspective is used to explore storytelling and meanings in the respondents' narratives (Czarniawska, 1998; Morrill, 2008). We analyzed the stories of employee work experiences within a retail hypermarket, part of a leading Finnish retail chain (85 hypermarket outlets in 2016).

We begin by discussing the nature of intrinsic motivation and the motivational processes empowering it. Secondly, we use existing literature to create a model of the sources and processes that drive and maintain employee motivation. In the methodological section, we present the data collection and analysis from the case stories. Finally, we provide managerial implications and suggestions for further research.

## 2. Theoretical background of motivation

The concept of motivation is mainly divided into intrinsic and extrinsic (Miao et al., 2007; Pullins, 2001). Ryan and Deci (2000, p. 56) define intrinsic motivation "... as the doing of an activity for its inherent satisfaction rather than for some separable consequence. When intrinsically motivated, a person is moved to act for the fun or challenge entailed rather than because of external pressures or rewards". This is one reason why a pianist might, for example, play alone, as it is due solely for the joy of playing. The playing process represents a dynamic flow, where the flow itself regulates the satisfaction.

Ryan and Deci (2000, p. 60) state that "extrinsic motivation is a construct that pertains whenever an activity is done in order to attain some separable outcome. Activity is prized for its functional, utilitarian, or banal instrumentalism in accomplishing some further purpose". The individual

action cannot be a source of satisfaction but a tool for the achievement of external goals. The value of the action is produced from outside the individual experience. Another pianist may not play for pure pleasure, but rather to improve technique. The player may evaluate the level of performance against the desired end-state. The source of motivation changed from inherent satisfaction to the evaluation taking place outside the flow of playing.

Cognitive Evaluation Theory (CET) and Self-Determination Theory (SDT) specify the factors in social contexts and other environmental factors that produce variability in extrinsic motivation and catalyze (rather than cause) intrinsic motivation (Lindenberg, 2001; Ryan & Deci, 2000). Ryan and Deci (2000) highlight the conditions that enable intrinsic motivation in a highly extrinsically driven environment. They suggest a sense of freedom and autonomy as intrinsic and a sense of pressure and control as extrinsic. Later, Ryan and Deci (2000) focused on the concept of threats as a part of extrinsic motivation that eventually influences intrinsic motivation. In their studies, the firm's actions may drive the intrinsic motivation of an employee. Dwivedula and Bredillet (2010) as well as Casey and Robbins (2008) focus on components of work motivation. Rewards, communications, and feedback produce feelings of competence during action (Casey & Robbins, 2008; Pullins, 2001; Ryan & Deci, 2000). Lindenberg (2001) created three different frames as a background of motivation. Pullins (2001) shows in her studies that high intrinsic motivation produces positive outcomes, like flexibility and open mindedness. Furnham and his co-authors (2009) focus on the work values from the perspective of an employee in the workplace as it relates to personal development and stimulation. Koh et al. (2011) combined cultural aspects to the personal variables and organizational settings that motivate a sales force. The main results of CET and SDT theories based on motivation are presented in Table 1.

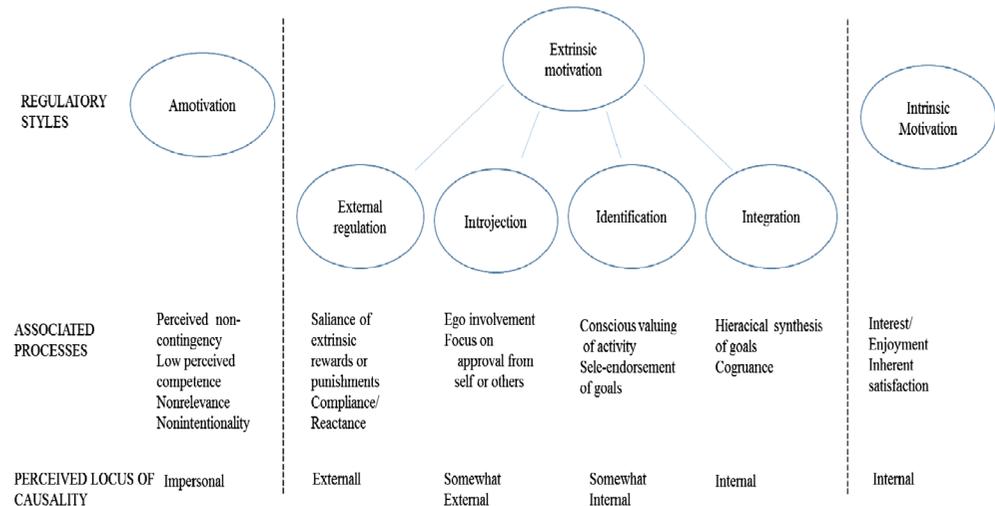
### 2.1. Relationship between intrinsic and extrinsic motivation

Ryan and Deci (2000, p. 61) conceptualized the relationship between intrinsic and extrinsic motivation using the continuum with the taxonomy (see Figure 1). Amotivation is situated on the far left of the continuum. The situation can also be called unwillingness. On the far right of the continuum is

**Table 1. Work motivation in CET- and SDT-theories**

Researcher(s)	Main results
Ryan and Deci (2000)	Distinction between motivations leading to volitional behaviors with a sense of freedom and autonomy (intrinsic) and those by sense of pressure and control (extrinsic) Taxonomy where the motivation changes from a motivation to extrinsic and further to intrinsic motivation Conditions enabling intrinsic motivation: competence, autonomy, autonomy versus control, relatedness, positive performance feedback, threats, deadlines, directives and competition pressure
Ryan and Deci (2000)	The diminishing effects of extrinsic motivators on intrinsic motivation: Threats of punishments, deadlines, surveillance
Dwivedula and Bredillet (2010)	Components of work motivation: employee development, work climate, perceived equity, work objectivity and job security
Casey and Robbins (2008)	Components of job motivation: range of skills, task identity, task significance, autonomy, feedback from job and high internal work motivation
Lindenberg (2001)	Three basic frames: hedonic frame (yes it was nice) normative frame (I got through that ok) and again frame (I have learned and developed a lot) Goals in the different frames compete with each other
Pullins (2001)	High intrinsic motivation has been shown to produce positivity, flexibility, creativity and openmindedness
Furnham et al. (2009)	Factors of work values: (1) security and conditions, (2) status and rewards, (3) personal development and stimulation
Koh et al. (2011)	Cultural values, personal variables, and organizational work settings influence the motivation of sales force

**Figure 1. Taxonomy of human motivation by Ryan and Deci (2000, p. 61).**



intrinsic motivation. Internalization and integration can be discovered when moving from amotivation towards intrinsic motivation. Ryan and Deci (2000, p. 60) specifically write that “internalization is the process of taking in a value or regulation, and integration is the process by which individuals more fully transform the regulation into their own so that it will emanate from their sense of self”. They also state that the continuum from amotivation to intrinsic motivation can be divided into four parts: external regulation, introjection, identification, and integration.

In external regulation, motivation can be generated through organizational rewards or sanctions (e.g. performance-based compensation). In the introjection phase, the acceptance of others can impact the individual’s ego (so-called abstract feedback). In this phase, other people in the workplace have a decisive role for the motivation of an individual. A decisive moment can occur during the introjection phase, as an individual’s extrinsic motivation can move towards intrinsic. During the identification phase, motivation becomes entirely internalized. Finally, the individual reaches the integration phase and the internal significance of an act is anchored in the cognitive structure of values. We address the understanding of Ryan and Deci (2000) as an initial basis of motivation that also defines the motivational changes as presented in Figure 1.

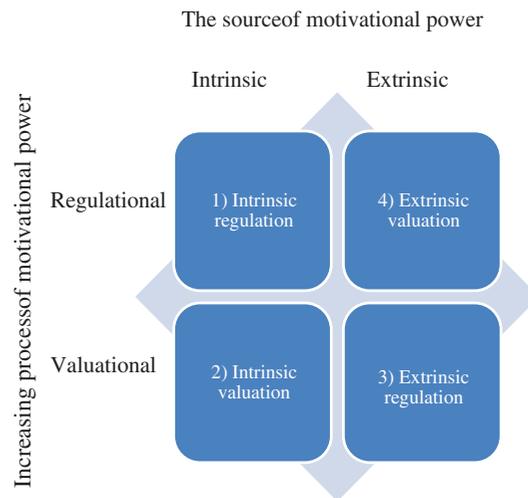
However, while Figure 1 shows motivation in some detail, earlier research lacked a clear explanation of the interplay between intrinsic and extrinsic motivation. Our contribution to the extant literature is to bring clarity to this interplay, beginning with a theory development in motivation.

## 2.2. Theory development in motivation

The taxonomy of human motivation by Ryan and Deci (2000, p. 61) presents an interesting approach on motivation changes as well as the various processes where individual motivation turns from extrinsic to intrinsic (see Figure 1). To clarify these processes, we selected a retail environment where management sets ambitious sales and profitability goals and employees are rewarded when these goals are reached. This context gave us the opportunity to study the relationship between extrinsic and intrinsic motivation as the hypermarket’s employees are wholly embedded in extrinsic motivation. Extrinsic motivation drives the employees and their actions within the store. However, this begs the question—how is intrinsic motivation derived in a highly extrinsically driven environment?

In the taxonomy of motivational processes (see Figure 1), scholars have shown the characteristics that influence the transition from extrinsic to intrinsic motivation. They suggest four motivational processes that lead to and strengthen intrinsic motivation: regulative, introjective (unconscious involvement), identificational, and integrative (Ryan & Deci, 2000). Excepting the regulative, the remaining processes are valuational. The shift from a regulative to a valuative process is the first

**Figure 2. Typology of motivational processes.**



predominant change towards intrinsic motivation. This shift is conceptualized by a dimension with endpoints of completely regulatory and completely valuational. The second predominant change concerns the source of motivational power. In the model (see Figure 1), scholars have shown that this extrinsic motivation must have an effect on the individual level before it is internalized. We suggest that the source of motivational power should be intrinsic rather than extrinsic. Thus, we conceptualize this shift by dimension to include extrinsic and intrinsic sources of motivational power as its endpoints. We present our new typology in Figure 2.

In Figure 2, *Extrinsic regulation* exists when the source of motivation is extrinsic and the motivation is determined by the regulative process. This is often seen in various incentive and performance-based compensation systems. The regulative mechanisms have been planned and made explicit to the employees. *Extrinsic valuation* occurs when employees encourage each other or when they receive positive feedback from customers or supervisors. In this model, the source of motivational power still exists outside of the individual level. When the source of motivational power lies at the hands of the individual herself, *intrinsic valuation* occurs. The person now feels that she is valuable, skillful, and a respected employee. Next, *intrinsic regulation* forms the foundation of intrinsic satisfaction. The process mirrors the initial concept of intrinsic satisfaction (Ryan & Deci, 2000, p. 56) where “intrinsic motivation is defined as the doing of an activity for its inherent satisfaction rather than for some separable consequence”. Thus, the working process itself leads to work satisfaction. As described in our piano example, the work itself represents a dynamic flow that regulates satisfaction. Typically, managers implicitly trust the direct motivational path from extrinsic regulation to intrinsic regulation. We expand this understanding in the empirical part of the study. The new typology (see Figure 2) offers an opportunity to understand and verify the different motivational paths that eventually lead to intrinsic regulation.

### 3. Methods

#### 3.1. Research context

The study examines a 22-year-old hypermarket that is part of a leading Finnish retail chain (85 hypermarket outlets in 2016). Its owner is committed to increasing the store’s sales and profitability every year—also a main goal of the parent retail chain. However, the control system used in the departments of the hypermarket was built and created by the retailer. Each day, eleven department heads measured their respective team’s efficiency on four key ratios—sales revenue, profitability, working hours, and the department’s sales share of the hypermarket. When necessary, the hypermarket’s IT system could report the key ratios each hour. The key ratios were based on a budget managed by the hypermarket. The key ratios were discussed with each employee within every department and reviewed biannually. The department implemented plans to reach the targeted ratios

and successful attainment of these key ratios was among the store's strategic goals. Individual commissions for the workforce were dependent on the success of the departments. Every team (between three and five staff members) shared the commission achieved in their department. Though management control of the departments was tight, the department heads had the autonomy to organize sales and the tasks of their staffs. For instance, each department head bought almost all the consumer goods for the department, worked with employees to build campaigns, and planned all working shifts. The achieved key ratios were filed to the budget system by the head and the staff of the department. Nevertheless, there are potential issues with this arrangement. Quigley and Bingham (1995, p. 45) state that "controlling the activities of salespeople is a difficult but crucial task that sales managers must perform". Cooke (1999, p. 82) asserts that "the relationship between control and motivation through the compensation plan is that any attempt to increase one will decrease the other. It is impossible to maximize both control and motivation".

### 3.2. Data gathering

Because department heads are responsible for profitability in their areas, the study's primary data were collected through interviews with seven department heads. To better understand the department heads' storytelling, we also interviewed 17 other salespeople who worked as staff members in the hypermarket. To maintain anonymity, we assigned pseudonyms to all respondents. These interviews were called as our first secondary data. None of the interviews were concluded until any additional themes, contents, and conclusions were exhausted. The interviewees were between 28 and 58 years of age. The sales people had worked at the hypermarket for at least three years. The department managers' experience was between 10 and 30 years. The basic educational level of all interviewed employees consisted of staff trainings provided by the head company of the hypermarket chain.

The primary and our first secondary data include 24 semi-structured interviews, each approximately 60 min long. An inquiry of study was driven by detailed explanation-building (Lincoln & Guba, 2000) where interviewees are encouraged to relate a story (Elliott, 2005) without guidance from the interviewer. The interviewees could reveal their perspectives within the topic of discussion (Janesick, 2000). Current research suggests that highly influential and knowledgeable informants are the most reliable, particularly when they are recalling important, real-time happenings (Huber & Power, 1985; Kumar, Stern, & Anderson, 1993).

During the empirical portion of the study, we set three key criteria for data selection. First, both intrinsic and extrinsic sources of motivational power should be presented in the interviews. Second, these detailed points should be described as accurately as possible in the context of a large business organization such as the hypermarket. Third, the focus should be on staff motivation. For the hypermarket in this study, the pressure to deliver efficiency is the motivation. Management within this kind of organization entailed extrinsic regulation for motivational force and provided us with an opportunity to observe the response of an individual's motivational process.

Within this context, we asked the following questions. *How does one determine their work motivation? How does the hypermarket's owner form, develop, and maintain staff motivation? How do intrinsic and extrinsic effects produce motivation in the hypermarket? How do you motivate your department's staff?* The interviews provided an in-depth and holistic understanding (Eisenhardt & Graebner, 2007; Graebner, 2009) of the development of intrinsic and extrinsic motivation as well as the interplay between them. It is appropriate to explore a context of this kind with "how" and "why" questions to create a deep understanding of the phenomenon. This method in particular underscores the explanatory nature of the study (Piekkari, Plakoyiannaki, & Welch, 2010).

The validity of the study was improved by applying multiple sources of evidence to eliminate possible subject bias (Jick, 1979; Graebner, 2009). As second secondary data, the participant's ethnographic observation was used with field notes during the period 2007–2013. This enabled the researchers to observe and hold many informal conversations with the employees over the study's

duration. The following quotation describes the ethnographical notes: “Week 6. I went to work at six in the morning. However, I noticed my morning shift had been changed to an evening shift. Sari asked me to take this new shift because Elina had problems with the evening shift. Elina is a new employee in our work place. She is studying and finalizing her final thesis at the school of applied science. She is slow. She thinks too much. She wants to do perfect work only. She cannot be efficient”. Furthermore, the annual reports of the hypermarket, websites of the hypermarket chain, chain contracts, and different business publications were used to understand the system of external control in the hypermarket. We were interested in data such as turnover, sales strategies, number of staff, other case-specific aspects like the evaluation of the work climate carried out by chain management. This third secondary data confirmed that this particular hypermarket was a successful chain member as evaluated by the chain indicators. The staff had a high level of job satisfaction based on the general chain evaluation. Access to the organization for research purposes was due to the second author’s position as the hypermarket’s owner and the third author’s experience as an employee at the hypermarket.

No significant discrepancies (Graebner, 2009; Seidler, 1974) were found between the primary and secondary data sources used in the study. Multiple data sources also supported the researcher’s efforts to create an in-depth understanding of the explored phenomena (Bickman, 2009). To strengthen reliability and validity, the interviewers posed follow-up questions when clarification was needed (Miles & Huberman 1994).

### 3.3. Analysis

The interviews were combined with the narratives (Czarniawska, 1998) of the interviewees’ storytelling (Riessman Catherine, 2002). Given the difficulty of gaining an in-depth understanding of a complicated phenomenon, such as the intrinsic and extrinsic processes of motivation, the narrative analysis was used to explain how and why something happened (Flick, 2007, p. 71). The analysis is based on the interpretations of these narratives that are based on the narrator’s history within the relevant social environment (Burr, 2002). The narrators tell about their lives, experiences, and concerns, which they combine with the events in their environment (Elliott, 2005; Polkinghorne, 1995). Hence, narratives are a meaningful structure for organizing a person’s present and future life (Polkinghorne, 1988) and to understand past events (Garcia & Hardy, 2007).

To avoid any potential issues with objectivity, four researchers were used to collect, understand, and retain the meanings embedded in the interviewees’ stories (Riessman Catherine, 2002), giving rise to a new narrative constructed from their recollections (Makkonen, Aarikka-Stenroos, & Olkkonen, 2012). Regular research meetings were also held during the study. One researcher was responsible for data gathering, one analyzed the data, another built the theoretical framework, and the fourth gave his feedback and built a coherent whole. All researchers discussed the details needed for consensus. Different backgrounds of the researchers confirmed valuation in the study. There was a complete and mutual understanding among the researchers regarding the study process. Analysis of these stories rely on explanation-building logic, a special type of pattern matching is used to analyze the data by building an explanation of the case study (Bickman, 2009). Themes and content emerge from the data in conjunction with extant theoretical literature on intrinsic and extrinsic motivation. We used our typology of motivational processes, including intrinsic regulation, intrinsic valuation, extrinsic valuation and extrinsic regulation as a basis of the theme building. The research team discovered four different motivation paths consistent with the literature. We tested the new typology of motivational processes during the within-case analysis (Bickman, 2009) where we identified the four different type narratives (Makkonen et al., 2012) from the interviews of the food department employees. The following four narratives, or motivational stories, were chosen to exemplify the different paths of motivation (Ryan & Deci, 2000).

## 4. Motivational Stories

### 4.1. Kerttu: Seeking safety and working in a familiar work environment

Kerttu has worked in the retail trade for over 20 years. She highlights the meaning of her family's long history as hypermarket workers by recounting, "My father worked in this retail chain as well and I found my way here too ..." Having permanent employee status offers Kerttu a sense of security. Earlier, she worked in the hypermarket's office. Due to a change of ownership, she switched to working the shop floor. She is keen to emphasize the importance of daily routines and tries hard to get through her daily duties. When this happens, Kerttu is satisfied. She describes her working conditions in the following sentences: "Yes I really like my work ... when I worked in the office my working day was very regular. [Now], no two days are identical on the shop floor ...".

Even though Kerttu's attitude towards work is mainly positive, she finds the work stressful when she lacks the time to do everything as well as she would like: "I feel like that I should always work more during workdays". When the repeated day-to-day tasks go well, Kerttu enjoys her work. She also likes to keep in contact with familiar clients: "So faces have become familiar ... and over the years we always say hello to each other and it's nice to see them and be among people".

Based on extrinsic regulations (see Figure 2) like strict managerial mechanisms and daily routines, Kerttu derives intrinsic motivation (including satisfaction) from her work. Extrinsic forces (see Figure 2) like the described managerial mechanisms and the reward system have not influenced Kerttu's work motivation. But extrinsic efficiency objectives jeopardize her satisfaction. It was unnecessary to curtail her intrinsic motivation with extrinsic objectives. Because of the narrow basis of the intrinsic regulation, she risks losing work motivation. Kerttu describes her need for concrete and short-term goals to maintain a positive feeling about her work. In addition, clarity and security are also important for her. To support Kerttu's intrinsic regulation, the encouragement of superiors would suffice for an extrinsic valuation.

### 4.2. Lauri: Increasing lack of control in work

Lauri has been a manager in the meat section for the twenty years since the hypermarket opened. Like other department managers, Lauri runs his department by planning marketing, placing orders, and organizing work rosters. Lauri talks about his independence and an ideal of entrepreneurship. "I am glad that I can be pretty free to decide how I work".

Nonetheless, Lauri also tells a different story as he foresees negative changes coming to the hypermarket. Due to changes in the industry, he feels a lack of control and is cynical about his future.

I'm almost sure that if and when the owner changes, we will not pack any meat or fish in the store. This is already a reality in the other hypermarkets in Finland. After that, this hypermarket will not have any use for me ... customers do most of the work, when they are carrying the products out of here. We just need to put the products on the shelves.

As a departmental manager, Lauri does not share his feelings at work. He also expresses that working in the hypermarket was a choice for him and his staff. "I have no other options; everyone is at work here of their own free will".

Lauri once had a great deal of self-respect, as he is a trained butcher and an important professional in the shop. Thus, intrinsic valuation produced his motivation. Also, an intrinsic valuation had interacted with and catalyzed intrinsic regulation. However, this effect has now turned from positive to negative as structural changes in the hypermarket have led to the disappearance of trained butchers. Lauri felt that he had been deprived of his identity and self-respect. Moreover, managerial mandates irreversibly changed the daily routine in food shops, as success is now measured in terms of efficiency. Lauri is most fearful that as a department head, he will not be able to keep up with the

increasing demands for profitability and efficiency. The resulting pressures cause him to over-react and lead to feelings of low self-worth.

In Lauri's case, the focus on results and efficiency conflicts with his definition of self-value, thus leaving him extremely vulnerable. Despite these feelings, Lauri's future as a department head was not in jeopardy during the research study. Nor was his image as a trained butcher in question. Yet, Lauri needed a new work orientation so that he could lead the department towards achieving its targets. He required constant support from his line manager and his organization (extrinsic valuation). Lauri's negative outlook constitutes a threat to the operations of the entire butchery department and a hopeful outlook seems unlikely. Lauri needs a working arrangement where he can have more responsibility for the day-to-day management of the department. However, his needs must be balanced with the owner's ultimate responsibility for efficiency and profits.

#### **4.3. Niina: Being competitive**

Niina is a department head in the greengrocery department. She has worked in retail and grocery stores for over 30 years. She finds the work invigorating. "I feel that this work is a vocation for me". Niina's motivation level was very high. "I have known ever since I was five that I would work in the retail sector ... I really like my job as a department manager". Niina described herself as a successful worker and she loves to compete with other department heads. She demands the same level of involvement and input from others as she demands from herself. "In my opinion, (to work in retail) you have to enjoy your job and it can't be something you do under duress ... if someone doesn't like their job then that's fine, just change jobs and let someone else come in who might have some new ideas. So, if you want to leave, that's fine". Niina maintains her motivation by showing her emotions very openly; "I have never been depressed". However, Niina's emotions vacillate and, as a result, her subordinates find her volatile.

Extrinsic performance and efficiency targets motivate Niina and she drives her staff to be the best greengrocery department in the retail chain. Niina thrives in a competitive environment to reach targets, as her department's employees have experienced. She relishes strict supervision and "compulsive" surveillance and control. The extrinsic regulation has directly formed Niina's core of intrinsic regulation. Her desire to compete with other department heads has led to poor management of human relations over her employees. Consequently, her department staff has come to resent the results and efficiency targets that are so important to Niina. The situation had reached a level where some employees did not want to work with her. Subsequently, the responsibility for the work in Niina's department rested increasingly with Niina.

Despite these problems, Niina's department was among the best performers in the entire retail chain. The hypermarket retailer may let the situation develop under its own impetus if the department continues to achieve its targets. However, the department's poor working atmosphere may cause irreparable damage if this problem is not resolved.

#### **4.4. Mari Future-oriented developer**

Mari has been a department manager for the past nine years. She has 20 years' experience as a sales worker with various food shops. Mari has a positive attitude towards her work. She is hard-working, conscientious, creative, and wants to develop her work. "I'm quite satisfied because this work is very varied ... the work is not the same every time. I feel that I do not want to sit in an office all the time. I drifted into this job as there were no other options and I'm stuck with it". The employees feel that they can negotiate things with her and she listens to alternative approaches, though she mostly does new things in her own way. She wants to learn and try out new things. Mari would like to develop the department independently, so at times she feels frustrated with the lack of opportunities for effective marketing because of the highly standardized store policies. And while she thinks she has a good job, she does feel that things are moving too slowly. "I have a lot of ideas to develop this hypermarket and its different departments ... I want to develop and try things and if I think that it wasn't good, then I would try something else again".

**Table 2. Development of intrinsic and extrinsic motivational processes**

Department head	Development of intrinsic and extrinsic motivational processes
Kerttu	External forces (see Figure 2) like tight managerial mechanisms and reward system did not influence Kerttu's work motivation. She was intrinsically motivated and satisfied to perform her daily duties. Intrinsic regulation produced her satisfaction. However, future external efficiency objectives jeopardized her satisfaction. It was unnecessary to diminish her intrinsic motivation with external objectives. To support Kerttu's intrinsic regulation, the encouragement of her superiors would have been sufficient for extrinsic valuation. See also Figure 3: <i>work motivation depends merely on intrinsic regulation</i>
Lauri	Intrinsic valuation produced work motivation to Lauri. Positive intrinsic valuation catalyzed his intrinsic regulation. Later however, intrinsic valuation had the opposite effect and negative intrinsic valuation overtook Lauri's intrinsic regulation. He needed extrinsic valuation (i.e. support from his line manager and his organization) as soon as negative intrinsic valuation began to occur. See also Figure 3; <i>The path from intrinsic valuation to intrinsic regulation has key role producing work motivation</i>
Niina	External performance and efficiency targets motivated Niina. But her motivation is largely dependent on intrinsic regulation. She relished strict supervision and "compulsive" surveillance and control. Extrinsic regulation formed Niina's core of intrinsic regulation. Her motivation was highly dependent on extrinsic regulation that led to her intrinsic regulation. See also Figure 3; <i>The path from extrinsic regulation to intrinsic regulation was presented</i>
Mari	Mari's motivational processes are balanced. Even though profitability and efficiency targets guide Mari's motivation, she did not want to compete on achieving goals. Mari has accepted target control as natural. Thus, her intrinsic regulation is driven partly from extrinsic regulation. Additionally, the ease of everyday routines produced satisfaction for Mari. Extrinsic and intrinsic valuation help give power to her intrinsic regulation. See also Figure 3; <i>The several paths to intrinsic regulation from other motivational processes are underlined</i>

All the motivational processes of our typology are providing intrinsic motivation for Mari. Normal everyday routines and their fluency are important to Mari, as they were to Kerttu. Mari also derived satisfaction from learning new skills and developing departmental operations. So, for Mari, intrinsic regulation was a source of great satisfaction. Moreover, her intrinsic valuation intensified intrinsic regulation. Specifically, her intrinsic motivation included an optimistic attitude and a high level of self-awareness. Also, the extrinsic valuation fueled intrinsic valuation because Mari was appreciated within the organization.

Mari's work motivation was complete when she derived intrinsic motivation even from extrinsic regulation. But the way the extrinsic motivation feeds intrinsic regulation is wholly different from Niina's. For Mari, profitability and efficiency targets are positive because they guide her work. However, Mari could do more demanding tasks than at present. She needs management to provide her the challenges and opportunities to exercise her creative problem-solving skills.

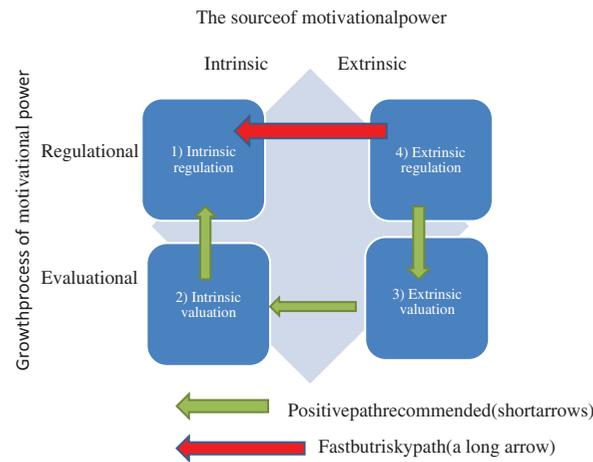
Based on the motivational stories above, the following Table 2 is presented as a conclusion of results.

### 5. Research contributions

Scholars have consistently had difficulties addressing the connection between intrinsic and extrinsic motivation. Therefore, intrinsic and extrinsic motivations have been considered mutually exclusive and dichotomous (Pullins, 2001). More often, intrinsic motivation is understood to be the ideal (Furnham et al., 2009; Miao et al., 2007; Ryan & Deci, 2000). Ryan and Deci (2000, p. 61) focus on the rise of intrinsic motivation (Figure 1) as the highest level of individual motivation. They emphasized that the increase in intrinsic motivation implies that the locus of causality moves from extrinsic to intrinsic sources.

Our research was conducted with the company that had adopted a management system of remuneration incentives that rely on an extrinsic regulation that stresses efficiency and financial accountability. This allowed for an analysis on how extrinsic regulation and extrinsic evaluation affect

**Figure 3. Rewriting intrinsic and extrinsic motivational processes.**



work motivation, as presented in the Figure 2. In Figure 3, we propose a new model for intrinsic and extrinsic processes of motivation. Within the model, intrinsic and extrinsic motivational processes are built through intrinsic and extrinsic sources of motivational power. Additionally, growth processes of motivational power can be regulational or valuational.

In this new model, we specifically show that earlier research can be extended through rewriting intrinsic and extrinsic motivational processes. We suggest two novel elements of motivational power, the source of motivational power (intrinsic or extrinsic) and the motivational processes (regulatory or valuational). At its strongest, intrinsic regulation leads to an individual's self-sufficiency and extrinsic support is no longer needed to motivate. However, intrinsic regulation is a process that depends on other motivational processes to retain its momentum and positivity.

A focus on extrinsic regulation may boost straight intrinsic regulation (Figure 3, red/long arrow). With Niina, extrinsic performance and efficiency targets motivated her so much that she thrives on competition. In her case, competing itself has become the goal. She is proud of her achievements and the resulting compensation. Previous research has shown that pride increases sales-related motivations, including efficacy (Friend et al., 2016; Verbeke, Belchak, & Bagozzi, 2004). The extrinsic regulation has formed Nina's core of intrinsic regulation. Nina's case highlights the situation where departments and even individual employees try to maximize their own benefits. Based on our analysis, we found that extrinsic regulation may also impart intrinsic motivation to the entire organization, if it was tested with extrinsic valuation first (Figure 3, a green/short arrow). In this scenario, every employee must accept management's principles of results and efficiency. This must happen before employees commit to the performance norms of the company.

Figure 3 also suggests that intrinsic evaluation is an important process for increasing intrinsic regulation. Mari's intrinsic valuation balances motivational power with intrinsic regulation. Nina's intrinsic evaluation overpowers her intrinsic regulation. Lauri has had good self-esteem as a butcher. However, when his identity was threatened, Lauri's intrinsic regulation turned negative and his work motivation deteriorated. Only with Mari was the "ideal" intrinsic motivation achieved. Yet even then, there is risk because Mari's abilities and motivation are not being sufficiently challenged. For Nina, excessive control caused the intrinsic atmosphere in the department to decline and may ultimately undermine the intrinsic operations of the company. Kerttu needs security and stability for her motivation to be ensured. For Lauri, a lack of intrinsic balance destroyed any chance to motivate him within the organization.

The study shows that the best results are obtained when the motivational processes (both intrinsic and extrinsic) are in balance. Extrinsic motivation is needed and it may catalyze intrinsic motivation as Lindenberg (2001) and Ryan and Deci (2000) have stated. We also find that extrinsic and

intrinsic motivation are not independent. They develop in parallel and are dependent on each other. Furthermore, we show that extrinsic motivation arises from a managerial system expected to be accepted by all employees. In such a case, extrinsic motivation may lead to deep intrinsic motivational sources and processes.

There is neither an individual's approach (Furnham et al., 2009; Koh et al., 2011; Lindenberg, 2001; Pullins, 2001; Ryan & Deci, 2000) nor a firm's perspective (Casey & Robbins, 2008; Dwivedula & Bredillet, 2010; Ryan & Deci, 2000) in motivation. There is a deep connection between the levels of intrinsic and extrinsic motivation that interacts to develop motivational power. The typology of our motivational processes works like a circle, where there is a profound connection among the different parts.

## 6. Managerial implications

Our study shows that every individual in the workforce can be motivated and each person can best motivate themselves in their own way. As Robbins (2000, p. 14) writes, "workforce diversity has important implications for management practice. Managers will need to shift their philosophy from treating everyone alike to recognizing differences and responding to those differences in ways that will ensure employee retention and greater productivity while, at the same time, not discriminating". Even though the individual aspects are confirmed, this study also shows that the motivational paths can be classified as we present in Figure 3.

In the retail sector, the whole management system relies on an extrinsic regulation that stresses efficiency and accountability. The managerial challenge is to get everyone to accept this style while increasing their employees' intrinsic motivation. This study confirms that retailers need a better understanding of personnel motivation. Based on our model presented in Figure 3, we find that the balance between overall extrinsic regulation and employees' individual motivation modes can be attained. When management realizes that their employees require different motivational processes, then a balance among the types of motivation can be used to benefit the business.

## 7. Future Research

Ensuring efficiency and workers' long-term work well-being necessitates an understanding of the many levels of generating motivation. In future studies, it would be worthwhile to study the theoretical progress in combination with the management tools required to generate work motivation. Theoretically, there is a need to deepen the understanding of different and individual paths to work motivation that we laid out in this study. A deeper analysis into these processes and their corresponding relationships would be insightful.

Casey and Robbins (2008), Pullins (2001), and Ryan and Deci (2000), showed that rewards, communications, and feedback produce feelings of competence during action. The motivational processes of this study deal with these same elements. However, more discussion is needed to clarify how experiences of competence are linked to intrinsic regulation. It would be useful to see a more explicit study on the relation between extrinsic motivation and intrinsic motivation through different motivational processes. An empirical analysis of these relationships would add much to the literature. And more ethnographic approaches in various industries are also needed in this field of research.

### Funding

The authors received no direct funding for this research.

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### Citation information

Cite this article as: Creating employees' motivational paths in the retail trade, Teuvo Kantanen, Saara Julkunen, Esa Hiltunen & David Nickell, *Cogent Business & Management* (2017), 4: 1389332.

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