**Abercrombie & Fitch: coping with workers’ motivation**

1. **Programme**

**Capacités :**

Identifier les différents acteurs dans les organisations, leurs rôles et leurs intérêts

Identifier les facteurs de motivation

|  |  |
| --- | --- |
| 5.1 : Le management peut-il tenir compte de l’intérêt de tous les acteurs de l’organisation5.3 Peut-on entretenir durablement la motivation des hommes par la seule rémunération ? | Le management vise à concilier les objectifs de l’organisation avec ceux des différentes parties prenantesFacteurs de motivation |

1. **Ressource :**

Diaporama « 100 business cases »

Supports Virgin pour exemple

http://businesscasestudies.co.uk/business-theory/people/motivation.html#axzz3mXpR5thn

et plus…

* <http://uk.businessinsider.com/abercrombie-and-fitch-gives-workers-more-responsibility-2015-9?r=US&IR=T>

**Abercrombie & Fitch: coping with workers’ motivation**

# Abercrombie & Fitch made one change that unexpectedly boosted worker morale

*Uk.businessinsider, September 2015*

Abercrombie & Fitch gave workers more responsibility — and the company says it unexpectedly boosted worker morale.

The retailer recently gave workers the freedom to make changes in its namesake and Hollister stores, [according to Retail Wire](http://www.retailwire.com/discussion/18511/how-autonomous-should-store-staffs-be?utm_campaign=RW%20Discussions&utm_content=20651014&utm_medium=social&utm_sofurce=twitter).

"If they see something selling well, they can move it within the store. They have some latitude around moving fixtures," executive Jonathan Ramsden told analysts on a [recent conference call](http://seekingalpha.com/article/3469156-abercrombie-and-fitch-anf-q2-2015-results-earnings-call-transcript) with investors.

An analyst on the call commented that workers "seem much happier and a lot less stressed" than before the change was made.

Abercrombie is also investing in training to improve customer service.

The added responsibility doesn't come with a pay raise, but Tom Ryan at Retail Wire theorizes that workers feel more of an incentive to succeed when they are the ones making decisions.

For years, Abercrombie & Fitch was synonymous with preppy polo shirts, sexy ads, and loud logos.

But as sales decline and teens move away from the brand names that once ruled the mall, the [retailer is trying](http://www.businessinsider.com/abercrombie-and-fitchs-fashions-called-too-basic-2015-8) a different approach by toning down ads.

Abercrombie & Fitch's same-store sales fell 8% and total sales dropped 14% in the most recent quarter.

**Using your knowledge, this article and the slideshow, answer the questions below:**

1. Present the A&F business.
2. List the stakeholders mentioned in this text.
3. Describe the management problem A&F is facing.
4. Define what motivation means.
5. Present the two indicators showing that Abercrombie employees are more motivated.
6. Explain which benefits companies employing motivated employees can get.
7. Present the different methods implemented by A&F in order to improve its employees’ motivation.

*Complete the chart below*.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Methods** | **Goals** | **Methods resorted to** | **Impact on workers/employees** | **Maslow** | **Mayo** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

1. Explain how those actions methods are meant to help A&F reach its profitability goals.
2. To conclude, show how those decisions have enabled A&F to meet its employees’, investors’ and customers’ expectations.

**To go further:**

**Search information about the topics listed below and present a short slideshow to the class:**

* Some controversies about A&F: illustrate those issues.
* Other retailers’ policies regarding employees’ motivation.
* Abercrombie and CSR: anti-bullying campaign
1. **Present the A&F business**

A&F is a retailer, selling upscale or preppy casual wear. Its geographical territory is international/ it sells its products worldwide. They operate two brands: A&F (its namesake stores) and Hollister 21.

1. **List the stakeholders mentioned in this text.**

A stakeholder: Person or group directly affected by the decisions or behaviour of an organisation (<http://businesscasestudies.co.uk/glossary/#glossary-s>)

There are internal stakeholders: employees, managers and shareholders (investors here).

There are external stakeholders: customers (teenagers).

1. **Describe the management problem A&F is facing**

The sales (turnover) have dropped by 8 to 14 % over the last quarter.

1. **Define what motivation means.**

Motivation is the desire to do something or achieve a particular result.

1. **Present the two indicators showing that Abercrombie employees are more motivated.**

Abercrombie employees seem much happier and a lot less stressed.

**Two indicators:** happiness level and stress level

1. **Explain which benefits companies employing motivated employees can get.**

Having motivated employees results in:

|  |  |
| --- | --- |
| * Greater productivity
* Better quality products or service
 | * Lower staff turnover
* Reduced absenteeism
 |

1. **Present the different methods implemented by A&F in order to improve its employees’ motivation. Refer to the Maslow theory in order to discuss how those actions are supposed to fulfil employee’s needs.**

They use non-monetary methods of motivation:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Methods** | **Goals** | **Methods resorted to** | **Impact on workers/employees** | **Maslow** | **Mayo** |
| Freedom to make changes in stores (fixtures) | Bring autonomy and responsibility: they have to make decisions | **Empowerment** | Workers seems to be happier Less stress | Self-esteem and fulfilment | Motivation is tied to decision making |
| Training | Improve skills | **Job enrichment** | Improve customer satisfaction and experience | Social, Self-esteem and self-actualisation |  |

1. **Explain, how those actions are meant to help A&F to reach its profitability goals**

They have decided to improve their employees’ motivation, so customers will be more satisfied when they are shopping at A&F. This does not involve any pay raise. So on the one hand, sales might increase and on the other hand, costs will not increase (except for the expenses tied to their education program). A&F hasn’t used monetary methods to increase its employees’ motivation.

1. **To conclude, show how those decisions have enabled A&F to meet its employees’, investors’ and customers’ expectations.**

Those decisions are a way of conciliating divergent interests between investors seeking profitability, employees seeking better job conditions and customers looking for good services when shopping.

**To go further: search information and a slide to the class:**

* Some controversies about A&F: illustrate those issues.
* Other retailers’ policies regarding employees’ motivation.
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