

Lead 705 Organizational Development – Spring 2020 Term 1
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CASE STUDY #3

Case Study 8.1: Building Motivation

4. As a follow-up to this case, you started offering financial incentives (bonuses) to employees that met the desired sales increase. Discuss the pros and cons of using incentives to increase sales.

The narrative, Building Motivation, appears to give the impression that the employees and the sales representative did not have a contractual relationship to receive incentives or bonuses. However, if there were such a relationship, then there would be pros and cons. First, let us look at what is beneath the surface of this case study, work or labor afforded to an employer by an employee to increase the profit of the business. The employee in order to seek employment would have to have some need other than work, whether it is a paycheck to feed their family or some motive that might correspond with the hierarchy of needs for that employee such as safety and security, belonging and love and the highest self-esteem and self-actualization where the employee feel good about their lives (Ori, n.d.). So, for an incentive to be successful, there must be something that is going to satisfy an unmet need.

However, Scandura (2019) says that motivation is what a person does; therefore, if an individual is not performing to the desired level, an incentive is needed. Using that premise, a manager wanting to increase productivity beyond the motivated level of the employee would do well to offer an incentive. Not so fast, Miller (2015) says “motivation is intrinsic and therefore, nearly impossible to influence through external means” then at the same time quoting others, cites “there are plenty of ways to improve employee motivation and the key is finding what the

employee values” (p. 1). Gaille (2015), posits incentives provide extra worth to the working affiliation. Therefore, I agree with Skinner where he points out “to put it very simply, behavior that gets rewarded gets repeated. It would be nice if everyone gave it their all every day, but it is a fact of life that people work harder – and smarter – when they know their increased efforts will have a direct impact on their wallets.”

So, what are the cons of giving incentives? Scandura (2013) reveals that incentives can cause jealousy among employees or harm team performance” (p. 220). Dean (2015) declares, “there are three particularly strong charges against monetary incentives: they can lead workers to take shortcuts and act unethically, they can reduce intrinsic motivation, and they can cause envy between workers that could lead to higher employee turnover.”

Finally, I concur with Cancialosi (2014), stating “do not let employee incentives be the downfall of your organization. Make sure your bonuses and incentives are a reflection of your company’s values and structured to drive behaviors that are beneficial to both your organization and the people it serves.”

References

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