

Human Resource and Diversity Management

Managing employee motivation & commitment

Case study



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CASE STUDY (IN PAIRS/15 MIN OF THOUGHT)



United Kingdom

Amazon offers a bonus for punctual employees.

Online retail giant Amazon has just announced that an individual weekly bonus of £50 (almost €60) would be paid to all permanent employees if they were punctual.

What are the stakes of this decision for Amazon?

(benefits/risks for the company/interest for Amazon of such a decision)

Your proposals should be based on theories and concepts seen in class.

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Advantages for Amazon

- **Having a majority of employees who are punctual** (obtaining a desired behavior thanks to a financial incentive) → **extrinsic motivation**
- **Equity theory (Adams, 1965)**: the company rewards those who are on time compared to those who are late. Employees who are on time make a greater contribution than those who are late, and therefore deserve better remuneration.
- This decision can improve Amazon's **employer brand** → attracting and retaining talent
- This decision aims to **encourage Organizational Citizenship Behaviors (OCB)** (Organ, 1988).

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Advantages for Amazon

- This decision may enable Amazon to **reduce absenteeism**.
- This decision may also generate a form of **normative commitment (Allen & Meyer, 1991)** → employees may feel they owe a debt to Amazon → **less turnover**.

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Risks for Amazon

- **Risk to Amazon's financial equilibrium** (the bonus is high, weekly and paid to all permanent employees).
- **Equity theory (Adams, 1965):** this bonus is only paid to permanent employees in the UK. Inequity with non-permanent employees (temporary workers, etc.) who are nonetheless punctual and those who work outside the UK → source of tension/revolt
- **Extrinsic motivation (Deci & Ryan, 1985):** this bonus focuses solely on punctuality. It does not mean that employees will be more intrinsically motivated by their work and therefore perform better.

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Risks for Amazon

- Punctuality is a basic business principle. If Amazon decides to reward such a basic attitude, **employees may be tempted to ask for bonuses for other basic behaviors** (saying hello, respecting equipment, etc.) → a vicious circle could emerge
- **Overjustification effect:** if the company abolishes the bonus, there is a risk that the number of people who are late will increase.

**Thank you for your attention
and have a great day!**

