

Case Study – Motivation

Peggy Bates is the CEO of a regional HMO (health maintenance organization) with 25 local offices serving business and nonprofit organizations. The competition for business has become more intense in recent years as organizations continue to look for ways to reduce costs for medical and dental insurance.

A particular concern is that a given company might shift to another HMO if that healthcare provider can offer lower costs.

Peggy expressed her concern at a meeting with the management staff in these words: “I think our HMO could provide better service and lower costs if our employees put in more effort. A lot of the employees I have seen are so laid back, and almost indifferent. They don’t seem to have a sense of urgency.

“I don’t think that by simply downsizing the company we will reduce costs. Having fewer workers to accomplish our important work would just make things worse. We would get less work accomplished, and the quality would suffer.”

After listening to Peggy, Jerry Falcone, the vice president of marketing, commented: “Peggy, you might be right about some of our employees not being totally engaged in our efforts. Yet, I cannot understand why. Taking care of people’s health is one of the most important responsibilities in the world. I mean, we are often increasing life span as well as saving lives.”

Melissa Mitchell, director of human resources, said: “Jerry, from your point of view, you are correct. Healthcare is a noble undertaking. Yet when a person is seated at a keyboard and terminal for eight hours processing claims, he or she might not feel like an angel of mercy.

“We can speculate all we want about how well our employees are engaged and motivated, and what we should do about the situation. I propose that we get some data so we can learn more about the nature of the problem we are working with. I propose we hire a human resources consulting firm to conduct a survey about employee engagement. It could prove to be a good investment.”

Peggy said with a smile, “Here I am concerned about our costs being too high, and Melissa makes a suggestion for spending money.”

Melissa retorted, “Peggy, I am talking about investing, not spending money. If we could boost our employee level of motivation 10 percent, we would get a tremendous return on investment.”

Peggy, Melissa, and the rest of the executive team agreed on hiring a firm to conduct the survey. Four months later, the survey was completed and the results presented to management.

The consultant, Ken Hui, focused on the data presented in the accompanying Exhibit as the key findings of the survey. He said, "Folks, here is the meat of the study. Let's discuss calls for action that are revealed by the data."

Exhibit: Data from Employee Attitude Survey

Question	Percent Yes	Percent No
1. Do you know what is expected of you at work?	72	28
2. Do you have the opportunity to do what you do best every day?	55	45
3. Do you put your full effort into the job most days?	44	56
4. Do you think your immediate boss is doing a good job?	85	15
5. Do you expect to be working for this company for at least another three years?	34	66
6. Do you ever take work home with you (assuming you have the type of work that can be done off company premises)?	41	59
7. In the past year, have you had opportunities at work to learn and grow?	38	62
8. How satisfied are you with your compensation (salary and benefits combined)?	69	31

Discussion Questions

1. Evaluate the motivation levels of employees with respect to:
 - a) Maslow's hierarchy of needs
 - b) Herzberg's two factor theory.
2. What actions can management take to increase motivation?