**Scenario: Tech Start-up with High Employee Turnover and Low Motivation**

A small but rapidly growing tech start-up that specializes in developing cutting-edge software has been facing increasing challenges with employee motivation. The start-up has about 40 employees—a mix of software developers, marketing specialists, salespeople, and administrative staff. The work environment is fast-paced, and there are high expectations for employees to meet tight deadlines and push out innovative products regularly.

**The Problem: High Employee Turnover:**

In the past year, the company has lost 30% of its staff. Employees cite several reasons for leaving:

* Long working hours: Many employees work late into the night and sometimes on weekends without additional pay.
* Burnout: Employees feel overworked and stretched thin, leading to physical and mental exhaustion.
* Lack of recognition: Employees complain that their hard work is rarely recognized or rewarded.
* Limited career advancement: The company has a flat hierarchy with few opportunities for promotion or professional growth.
* Disengagement and Low Morale: For those employees who stay, morale is low. Many feel their contributions aren’t valued. There is little to no feedback from management, and some employees don’t feel like their work is making an impact.

**CEO’s Concern:**

The CEO, who is highly focused on growing the company and meeting client demands, has noticed the drop in employee engagement but is unsure how to fix it. He wants to keep his employees motivated but is unsure what changes need to be made.

**Current Workplace Culture:**

* Start-up Mentality: The CEO prides the company on its "start-up culture"—where employees are expected to work hard, hustle, and be entrepreneurial. However, this culture has created an environment of workaholism, where employees feel pressured to overdeliver with minimal rewards.
* Flat Hierarchy: There are very few managerial positions. Everyone, including the CEO, is very hands-on. Employees have significant autonomy in how they handle their tasks, but this also means that guidance and support from leadership are lacking.
* Minimal Perks: The company offers basic benefits, such as health insurance and paid leave, but there are no other perks like bonuses, paid overtime, or wellness programs that larger tech firms might offer. While there are free snacks in the breakroom and a foosball table, these do not seem to contribute much to employee satisfaction.

**CEO's Goal:**

The CEO wants to improve employee motivation and retention but doesn’t know where to start. He recognizes that compensation may be part of the issue, but he also thinks that there may be deeper issues related to workplace culture, recognition, and opportunities for growth.

The CEO has asked for recommendations on how to keep employees motivated, reduce turnover, and create a more sustainable work environment—without sacrificing productivity or innovation.

Answer:

Several Maslow Hierarchy needs are not met

Psychological Needs

Safety Needs – job security/financial security are at risk

Social Needs (belongings) – disconnection between manager and staff

Esteem – low due to not having your hard work recognized

Self-Actualization – unable to reach personal growth and fulfil potential

Recommendation for CEO:

Look at work/life balance, bring policy in place

Health and Wellness programme

Compensation for overtime

Job security

Team building events

Recognition

Manager-Employee interaction

Encourage innovation – employees can contribute ideas and take challenging projects that aligns with their passions

Flexible goals – allow employees pick projects that will help them grow professionally and personally