Motivation

Title – **Motivating employees at KrakPharma**

Problematic question – how to create effective motivational strategies based on employees' profiles?

Additional questions:

- What are main motivational theories in management sciences?
- What are similarities between the Maslow's hierarchy of needs and Herzberg's two-factor theory?
- What are the most popular motivational strategies?
- What are the tools to motivate employees on different levels of organization's hierarchy?
- How do rewards increase motivation?
- How to design motivational strategy for managers and non-managers?

Objective - The main objective of this case study is to explore and explain how effective motivational strategies are being created.

Target group - this role playing game is primarily intended for university students enrolled in introductory management (fundamentals of management and human resources management) courses.

Background - before playing the game, the students should be familiar with basics of organization theory (e.g. management functions). Instructors should provide definitions for key concepts under investigation (i.e., motivation, factors of motivation, tools of motivation, motivational strategies) and introduction to the context of the case study (KrakPharma Plant Supervisor Profiles Table A).

*TABLE A **KrakPharma Plant Supervisor Profiles***

JAN KOWALSKI is the senior supervisor with 21 years of seniority. He is 60 years old and has only a primary education. His most recent PM score is 50, which is lower than it used to be. Jan's past appraisals suggest that he has done an average job in the past, and Anna thinks his performance is still average and is sorry to see Jan's performance declining. His peers are convinced that Jan is too old to cut the mustard. Anna thinks that Jan has the easiest job in the group. Jan is a widower who spends a lot of time at his cabin by the lake. His current salary is EUR 60,000.

ROBERT NOWAK is 52 with 16 years with the firm. His PM is 70 and his salary is EUR 40,000. Robert is a high-school graduate, and his wife is quite wealthy. Anna believes that Robert has the best overall experience in the group and is a very capable supervisor, although his peers rank him average, the same as his past evaluations. Robert supervises a group that has about average responsibilities.

JOLANTA KRUKOWSKA is 36 with 10 years of seniority. She has a BS in Management, a PM of 80, and a salary of EUR 33,000. Anna feels she has one of the easier jobs and is doing only a so-so job. She is surprised to find that her earlier appraisals have been very good, an evaluation shared by her peers. Jolanta's husband was killed in a car accident, and she has three dependent children.

STEFAN JAWORSKI is 44 with 1 year with the company. Stefan has a high-school diploma, a PM of 50, and a salary of EUR 30,000. Stefan has the hardest group to supervise, but his earlier appraisals have only been average, an opinion shared by Stefan's peers. Anna agrees that Stefan's performance is average and is concerned that it might get worse as Stefan seems to be having too many personal problems lately.

ROMAN FAJKOWSKI is 35 and has 8 years of seniority, a PM of 80, and a salary of EUR28,000. Roman has a BS in Industrial Technology and is enrolled in State's night MBA program. Roman has a difficult job, requiring specialized skills, and he would be very hard to replace. Anna believes Roman to be a top supervisor, an opinion shared by his peers. But Anna is troubled by past appraisals that vary from outstanding to poor.

DIANA WYSOKA is 32 with 5 years at the plant, a PM of only 30, and a salary of EUR25,000. She is a highschool dropout who quit school to have her first child. She is a single parent with four children and works very hard to support them. Diana represents one of the affirmative action promotions that Anna arranged when she was the Affirmative Action Officer, and she is disappointed to find that her past and present appraisals are quite poor. Although her present job is perceived to require average skill, her peers consider her to be an incompetent troublemaker who constantly complains about the need for more affirmative action efforts at the plant.

MAREK RAKOWSKI is 26, has only 2 years with the company, a PM of only 20, and a salary of EUR 20,000. He dropped out of school to take care of his sick mother and two younger sisters. Anna hired Marek as part of the Affirmative Action Program. Marek's first appraisal was low, but Anna believes that was because he was in a job requiring too much experience. So Anna moved him to a job with more average demands. Anna thinks that Marek is doing a bit better in the new job and, in time, will be a good supervisor. Peer evaluations are somewhat mixed but above average.

Methods – role-play methodology (gamification), interpretation of qualitative data, explaining complex causal links in real-life situation.

Industry (which is analysed in the case) – pharmaceutical industry in Poland.

Hypothesis – Based on individual assessment and utilising motivational theories it is possible to construct an individual motivational strategy for each supervisor/manager/front line employee

The aim of the game – to explore variety of factors and tools influencing the employee motivation and to learn how to construct various motivational strategies.

The additional information Motivating employees has a special role within an organization. All the employees require the organizational attention and care so that their needs and expectations

could be noticed by the management and met to a possible extent. The motivating process is one of the most significant areas of the human resources management. The highly motivated employees bring the permanent benefits for the organization, contribute to the implementation of its strategy and strengthen its market position, and contribute to its sustainable development. Lecturer decides about providing additional information about the context of the game and theories and concepts related to the topic.

Algorithm of the game

Preparation for the game: Lecturer decides on the type of groups of employees for analysis and motivational strategy preparation. One group should consist of subgroups of 1) managers/supervisors, and 2) first-line employees.

Table "Algorithm of the game"

Step	System action	Player (student) action	Lecturer action
1	START		
2	Brief information about Maslow's hierarchy of needs and Herzberg's two-factor theory is provided:	Optional. Students search for information about Maslow's hierarchy of needs and Herzberg's two-factor theory.	
	The system has the standard profile 7 (as there is now) *TABLE A 1*		Lecturer can fill data by themselves.

Decides which supervisors' profiles (provided by the system or filled by team) will be used in the game, as well as what PM will be allocated to each profile. |
| 3. | | Possible discussion before selection

Player selects 5 out of 7. | Teacher can select/assign supervisors for assessment |

4.	Table with selected supervisors – numbers pictures, names. Worksheet/Final Table empty Table B. (three portions by theory)		
3	Game begins (first round). It is recommended to have 5 rounds.		
4		Each student/player: 1) selects a supervisor for assessment 2) ranks the relative importance of each of the motivators for the selected supervisor • 1 to 5 for Maslow's Needs,	
		• 1 to 5 for Motivation Factors, • 1 to 6 for Hygiene Factors	
7	System aggregates the data and provides ranking for the selected supervisor		
	A summary report for all students - the average method.		Lecturer launches the summary function Discussion
8			
9			
10	System provides the summary ranking of 5 students/players for five supervisors as well as calculates average ranking for all players	Students/players provide their arguments and discuss the provided rankings for each supervisor	Overall results discussed by class
	START		

11	System provides motivational instruments	Optional. Students search for information about motivational strategies.	Possibility to add new motivational instruments
12	System provides the average ranking for all 5 supervisors. Game begins (first round). It is recommended to have 5 rounds.		
13		Each student/player: 1) selects a supervisor for motivational strategy development 2) reviews the rank with relative importance of each of the motivators for the selected supervisor 3) ranks motivational instruments by their importance to construct motivational strategy for the selected supervisor	
14	System aggregates the data and provides ranking of motivational tools for the selected supervisor		
15	Repeat steps 13-14 for supervisors 2-5		Discuss results with student/player 1
16	Game continues (second round for another student/player) till 5. Repeat steps from 13 to 15		Discuss results with student/player 2-5

17	System provides the summary ranking of 5 students/players for motivational tools of five supervisors as well as calculates average ranking for all players	Students/players provide their arguments and discuss the provided rankings for each supervisor	Overall results discussed by class
	Summarising as a whole strategy - a proposition for the whole company		

Game vision -

Anna is a possible Introduction and role played by Students.

Introduction or student role

Anna works for a fast-growing producer of high quality pharmaceutical products at their oldest plant in Krakow, Poland. Anna has an MBA from Public University and began her career at KrakPharma in the Human Resource Department. She got her first big chance when the company, facing increased problems with the local minority community, put Anna in charge of a new affirmative action program. Anna is proud of her success in that position. Her supervisors were also impressed and promoted her to the position of Senior Manager. She managed a workforce of 56 employees through five supervisors. She's held this job for only one year. There is a new program to revitalize operations at KrakPharma. Anna, because of her earlier success, has been assigned the task of developing a motivation plan for her five subordinate supervisors. Anna needs to review the personnel files and try to identify the needs or motivators for each supervisor. To provide a working framework for the study, Anna decides to use both Maslow's hierarchy of needs and Herzberg's two-factor theory.

Anna divides the worksheet into three sections: (1) Maslow's Needs, (2) Motivation Factors, and (3) Hygiene Factors (Can *be the list of each category in the table*? – as in the worksheet below). In each category, she plans to rank the appropriate items for each supervisor, using a 1 for the top ranking, a 2 for the second ranking, and so on[1].

A role playing game with 12–30 students who act as if they were senior level (CEO) managers. Each employee starts with characteristics of supervisors/front-line employees working for the company:

1. Read the personnel files (*Where*? TABLE A – KrakPharma Plant Supervisor Profiles: Jan Kowalski, etc.). In addition to other data, each profile contains a supervisor's/front-line employee Performance Measure (PM). This is a score assigned by a computer-based productivity program developed by Consulting Company. The program uses a variety of cost and output figures to calculate a PM for each supervisor/front-line employee on a scale ranging from 0 (representing very poor performance) to 100 (nearly perfect performance).

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[1] Adapted from Griffin, R. (2021). Fundamentals of management. Cengage Learning.

2. Then, as a small group, use the following Need/Motivation Worksheet (Example of the table?- Final Table with results) to rank the relative importance of each of the motivators for each supervisor. Rank within groups—1 to 5 for Maslow's Needs (Physiological, Security, Belongingness, Esteem, Self-Actualization), then 1 to 5 for Motivation Factors (Achievement, Recognition, Work Itself, Responsibility, Advancement/Growth), and then 1 to 6 for Hygiene Factors (Supervision, Working conditions, Interpersonal, Pay, Security, Policy and Administration).

3. Then, players present their group findings to the class and discuss.

4. Next, players create individual motivational strategies for supervisors/front-line employees.

5. Finally, group findings are presented to the class and discussed.

This is a qualitative study and many possible results can be accepted. It is possible to use time, innovativeness of the proposed idea and arguments' appropriateness as criteria to figure out winners. In each category, first three positions are rewarded.

Recommendations for interpretation the game

Although the various theories discussed thus far provide a solid explanation for motivation, managers must use various techniques and strategies to actually apply them. Among the most popular motivational strategies today are empowerment and participation and alternative forms of work arrangements. Various forms of performance-based reward systems can be utilised to create an appropriate motivational strategy.

Worksheet/Final Table with results Table B

Need/factor	Supervisor A	Supervisor B	Supervisor C	Supervisor D	Supervisor E
Maslow's Needs					
Physiological	3	5	4	1	2
Security	2	4	5	2	1

Belongingness	1	3	1	3	3
Esteem	4	2	2	4	4
Self-Actualization	5	1	3	5	5
Motivation Factors Achievement	4	5	3	4	5
Recognition	3	3	2	3	4
Work Itself	2	4	1	2	1
Responsibility	1	2	4	5	2
Advancement/ Growth	5	1	5	1	3
Hygiene Factors 1. Supervision	1	6	4	5	3
Working conditions	2	5	3	4	6
Interpersonal	3	4	2	3	5
Pay	4	3	1	2	4
Security	5	2	5	1	2
Policy and Administration	6	1	6	6	1

Theory – book

Figure 1. Maslow's Needs

Maslow's hierarchy suggests that human needs can be classified into five categories and that these categories can be arranged in a hierarchy of importance. A manager should understand that an employee may not be satisfied with only a salary and benefits; he or she may also need challenging job opportunities to experience selfgrowth and satisfaction.
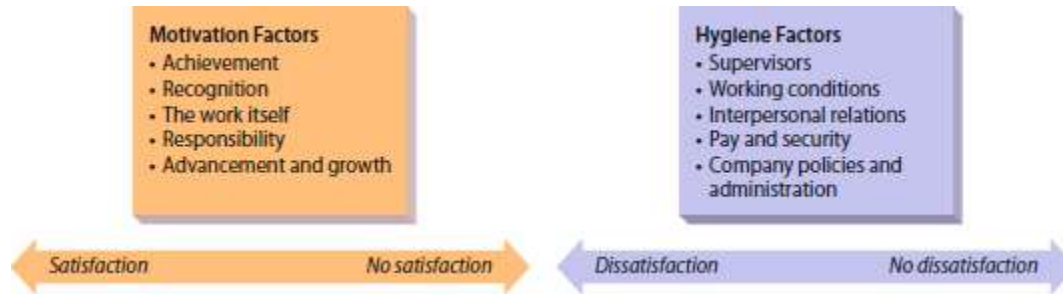
Figure 2. The Two-Factor Theory of Motivation

The Two-Factor Theory of Motivation The two-factor theory suggests that job satisfaction has two dimensions. A manager who tries to motivate an employee using only hygiene factors, such as pay and good working conditions, will likely not succeed. To motivate employees and produce a high level of satisfaction, managers must also offer factors such as responsibility and the opportunity for advancement (motivation factors).

Table Theory test for Step 2.

Question	Answers
According to Maslow, an individual is motivated first and foremost to satisfy?	a) physiological needs [correct answer] b) belongingness needs c) self-actualization needs d) esteem needs
At the top of the Maslow's hierarchy of needs are?	a) the self-actualization needs b) esteem needs c) belongingness needs d) security needs

Example in an organization of satisfied security needs in the workplace?	a) Challenging job b) Friends at work c) <mark>Pension plan</mark> d) Job title
Which one does not belong to Herzberg's motivation factors?	a) Achievement b) Recognition c) Responsibility d) <mark>Interpersonal relations</mark>
Which one does not belong to Herzberg's hygiene factors?	a) Supervisors b) <mark>Advancement and growth</mark> c) Pay and security d) Company policies and administration

Each organization has an extensive range of motivation tools. These tools can be divided into monetary (financial and non-financial) and non- monetary. The monetary, financial incentives include:

Table 1. Financial and non-financial motivation instruments Book

Monetary financial	non- monetary
• base remuneration, • bonuses (statutory, discretionary), • commissions, • rewards.	• providing the employees with frequent feedback concerning their performance, • providing opportunities for employee development • providing employees with the possibility of creating their work program, • the introduction of employee liability, • flexibility of managerial hierarchy (open communication), • assessment by employee performance.
Monetary non-financial	
• equipment, • medical care additional insurance, • guaranteed child care, • extra holidays, • trips, social events, • education subsidies.	

Table 2. Motivation strategy for supervisors

Instruments	Supervisor A	Supervisor B	Supervisor C	Supervisor D	Supervisor E
Monetary					
1.base remuneration					
2.bonuses (statutory, discretionary)					
3.commissions					
4.rewards					
Monetary non-financial					
equipment					
medical care additional insurance					

guaranteed child care					
extra holidays					
trips, social events					
education subsidies					
Non-Monetary					
providing the employees with frequent feedback concerning their performance					
providing opportunities for employee development					
providing employees with the possibility of creating their work program					
the introduction of employee liability					
flexibility of managerial hierarchy (open communication)					
assessment by employee performance					

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Theory – book

Maslow's hierarchy of needs

The two-factor theory (also known as Herzberg's motivation-hygiene theory and dual-factor theory) **states that there are certain factors in the workplace that cause job satisfaction while a separate set of factors cause dissatisfaction, all of which act independently of each other**.

Feelings, attitudes and their connection with industrial mental health are related to Abraham Maslow's theory of motivation. His findings have had a considerable theoretical, as well as a practical, influence on attitudes toward administration.[1][2] According to Herzberg, individuals are not content with the satisfaction of lower-order needs at work; for example, those needs associated with minimum salary levels or safe and pleasant working conditions. Rather, individuals look for the gratification of higher-level psychological needs having to do with achievement, recognition, responsibility, advancement, and the nature of the work itself. This appears to parallel Maslow's theory of a need hierarchy. However, Herzberg added a new dimension to this theory by proposing a two-factor model of motivation, based on the notion that the presence of one set of job characteristics or incentives leads to worker *satisfaction* at work, while another and separate set of job characteristics leads to *dissatisfaction* at work. Thus, satisfaction and dissatisfaction are not on a continuum with one increasing as the other diminishes, but are independent phenomena. This theory suggests that to improve job attitudes and productivity, administrators must recognize and attend to both sets of characteristics and not assume that an increase in satisfaction leads to decrease in dissatisfaction.

The two-factor theory developed from data collected by Herzberg from interviews with 203 engineers and accountants in the Pittsburgh area, chosen because of their professions' growing importance in the business world. Regarding the collection process:

Briefly, we asked our respondents to describe periods in their lives when they were exceedingly happy and unhappy with their jobs. Each respondent gave as many "sequences of events" as he could that met certain criteria— including a marked change in feeling, a beginning, and an end, and contained some substantive description other than feelings and interpretations... The proposed hypothesis appears verified. The factors on the right that led to satisfaction (achievement, intrinsic interest in the work, responsibility, and advancement) are mostly unipolar; that is, they contribute very little to job dissatisfaction. Conversely, the dis-satisfiers (company policy and administrative practices, supervision, interpersonal relationships, working conditions, and salary) contribute very little to job satisfaction.

— *Herzberg, 1964*[3]

From analyzing these interviews, he found that job characteristics related to what an individual *does* — that is, to the nature of the work one performs — apparently have the capacity to gratify such needs as achievement, competency, status, personal worth, and self-realization, thus making him happy and satisfied. However, the *absence* of such gratifying job characteristics does not appear to lead to unhappiness and dissatisfaction. Instead, dissatisfaction results from unfavorable assessments of such job-related factors as company policies, supervision, technical problems, salary, interpersonal relations on the job, and working conditions. Thus, if management wishes to increase satisfaction on the job, it should be concerned with the nature of the work itself —

the opportunities it presents for gaining status, assuming responsibility, and for achieving self-realization. If, on the other hand, management wishes to reduce dissatisfaction, then it must focus on the workplace environment — policies, procedures, supervision, and working conditions.[1] If management is equally concerned with both, then managers must give attention to both sets of job factors.

Two-factor theory distinguishes between:

- **Motivators** (e.g. challenging work, recognition for one's achievement, responsibility, opportunity to do something meaningful, involvement in decision making, sense of importance to an organization) that give positive satisfaction, arising from intrinsic conditions of the job itself, such as recognition, achievement, or personal growth.[4]

- **Hygiene factors** (e.g. status, job security, salary, fringe benefits, work conditions, good pay, paid insurance, vacations) that do not give positive satisfaction or lead to higher

motivation, though dissatisfaction results from their absence. The term "hygiene" is used in the sense that these are maintenance factors. These are extrinsic to the work itself, and include aspects such as company policies, supervisory practices, or wages/salary.[4][5] Herzberg often referred to hygiene factors as "KITA" factors, which is an acronym for "kick in the ass", the process of providing incentives or threat of punishment to make someone do something.

According to Herzberg, the absence of hygiene factors causes dissatisfaction among employees in the workplace. In order to remove dissatisfaction in a work environment, these hygiene factors must be present, however their presence do not ensure satisfaction entirely. There are several ways that this can be done but some of the most important ways to decrease dissatisfaction would be to pay reasonable wages, ensure employees job security, and to create a positive culture in the workplace. Herzberg considered the following hygiene factors from highest to lowest importance: company policy, supervision, employee's relationship with their boss, work conditions, salary, and relationships with peers.[6] Eliminating dissatisfaction is only one half of the task of the two factor theory. The other half would be to increase satisfaction in the workplace. This can be done by improving on motivating factors.[7] Motivation factors are needed to motivate an employee to higher performance. Herzberg also further classified our actions and how and why we do them, for example, if you perform a work related action because you *have* to then that is classed as "movement", but if you perform a work related action because you *want* to then that is classed as "motivation". Herzberg thought it was important to eliminate job dissatisfaction before going onto creating conditions for job satisfaction because it would work against each other.[7] Satisfaction of the employees can have multiple positive effects for the organization. For example, when the employees share their knowledge, they satisfy their social needs and gain cohesion within the group. Also, sharing knowledge helps others to create new knowledge, which also can reinforce the motivating factors.[8] By sharing knowledge, the employees feel satisfied and with the new knowledge it can increase the organizations innovation activities. [9]

According to the Two-Factor Theory, there are four possible combinations:[10]

1. High Hygiene + High Motivation: The ideal situation where employees are highly motivated and have few complaints.
2. High Hygiene + Low Motivation: Employees have few complaints but are not highly motivated. The job is viewed as a paycheck.
3. Low Hygiene + High Motivation: Employees are motivated but have a lot of complaints. A situation where the job is exciting and challenging but salaries and work conditions are not up to par.
4. Low Hygiene + Low Motivation: This is the worst situation where employees are not motivated and have many complaints.

Unlike Maslow, who offered little data to support his ideas, Herzberg and others have presented considerable empirical evidence to confirm the motivation-hygiene theory, although their work has been criticized on methodological grounds.