



CHAPTER 4. MOTIVATION

"We need to study people if we hope to understand their needs and aspirations because employees who are not motivated will be unhappy, their performance will decline, and they will be of little use to an organization".

You may go to work every day with a satisfied smile while thinking about finishing a job you began on previous days or in anticipation of facing new challenges.

Because people are different, you may perhaps not go to work with the same satisfied smile as when you go to the beach or when practice your favorite hobby but at least with the incentive that your company enjoys a pleasant working environment and that you like what you do.

However, many people find it difficult to go to work, especially at the start of a new working week, because they dislike their work. Such people are always thinking about when their holidays are, are constantly checking their watch to know when it is time to leave, and are not immune to missing work for any minor setback. These people are clearly in a state of demotivation.

Even people who want to do things well can find, if they are in a state of discouragement, that their job gets on top of them. Such lack of motivation leads them to perform substandard work.

For many years it was believed that there were only two ways to motivate employees: offer them rewards and enact punishments. This belief relates to the fable of the stick and the carrot, which describes two ways to make a donkey walk: put a carrot in front of it or hit it with a stick from behind. Remuneration here is associated with the carrot. Money undoubtedly motivates but when it is offered indiscriminately and repeatedly without relating it to work efficiency (via annual increases, seniority bonuses or collective bonuses), it is not a motivating factor (nor would it be for the donkey if, as well as the carrot in front of it, it had sacks of them in the stable within its reach or had simply already eaten a fair amount of them). We can compare the rod feared by the donkey and which motivates it to move to the fear existing in companies over non-promotion, marginalization or dismissal. However, these are far from motivating factors because, in such cases, workers can adopt an attitude of confrontation with the company, work poorly, and be disloyal. Moreover, like when a donkey is almost beaten to death by its owner and decides not to stand up, everything has a limit.

Below, we will explore motivational factors that are more significant than money (although money remains an essential motivator) or, naturally, external appearances like attire. However, managers must demonstrate firm resolve and authority, when necessary and under fair circumstances, to safeguard the continuity of the organization and the job security of its employees. Without doubt the most important issue with regard to motivation is to remember that everyone is different and perceives things differently, so everyone is motivated in a different way. Managers and supervisors should accept that everyone has their own emotions, and so they should try to motivate them on an individual basis, that is, according to their needs.

Motivation is a complex and difficult issue. What is valid for one person is not valid for another, and what was valid yesterday may no longer be valid today.

Flexible working hours are used in some companies as a clear means of motivation. Many workers like such hours. However, flexible schedules may not be any help at all to employees who have to take their children to school at 8 am and pick them up at 1.15 pm for lunch. Since flexibility is not possible for such employees, they will not be motivated by flexible schedules.

4.1. REASON

Motive is what encourages people to act in a certain way.

4.2. MOTIVATION PATTERNS

According to Davis and Newstrom in their book *Human Behavior at Work*, “each person tends to develop certain patterns of motivation as a product of the cultural environment in which he or she lives.” People’s motivation patterns reflect the cultural environment in which they grew up, e.g., their family, school, church and books. In most countries, one or two of these motivation patterns tend to be strongest among employees because of the similar environments in which they grew up. Motivation patterns include:

4.2.1. Motivation by achievement or goal

This involves actions by an individual to achieve a specific objective.

When Drazen Petrovic, an NBA basketball player who died in a car accident, was playing in Europe, he practiced an average of 500 shots at the basket every day after training. In the end he achieved his goal of becoming an NBA player in the United States.

There are many examples of motivation to achieve goals. One significant case is that of Art Fry, the inventor of Post-it notes.

Fry was a member of a church choir who often dropped the page divider of his hymn book on the floor. One day he had the idea of using an adhesive paper tape that could be peeled off easily without damaging the pages of the hymn book.

Persuading 3M, the company where Fry worked, to produce what he proposed was difficult. 3M was a prestigious company that manufactured products characterized by their strong adhesive properties. Fry’s proposal for an adhesive paper tape that could be peeled off easily was met with reluctance on the part of the company’s technical and marketing staff. The production department felt that Post-it notes would pose measurement and coating problems during the manufacturing process and lead to a lot of waste. Fry’s counter-arguments were that, if it were easy, anybody could do it and that 3M should do it precisely because it was difficult.

Post-it notes were tested internally with the company’s staff, who remained unconvinced because, in their opinion, they were not very useful. 3M then decided not to distribute any more Post-it notes. However, a few days later the employees started to request them.

Strategic free shipping by 3M to secretaries and business departments did the rest. Art Fry pursued his goal with great perseverance until, finally, he achieved it. Nowadays, who does not know about Post-it notes, an invention that came on the market in 1980?

Fry was promoted to corporate scientist, the highest position for a researcher in the company.

Many more examples of motivation for achievement exist. In the world of mountaineering, for example, there is a constant challenge to reach the highest peak in the world or to climb every peak above eight thousand meters.

Although the first climb dates back to 1921, it was not until 29 May 1953 that New Zealander Edmund Hillary and Nepalese Sherpa Tenzing Norgay became the first mountaineers to reach the top of Mount Everest, the highest mountain in the world (8,848 m).

Historically, humans have always sought to achieve almost impossible goals.

American explorer Robert E. Peary first reached the North Pole on 6 April 1909. According to Peary, it had been his goal since childhood to do so. On achieving his objective, the explorer wrote in his diary: "At last the Pole, which has been my dream and my goal for many years."

Two years later, on 14 December 1911, Norwegian Roald Amundsen conquered the South Pole. His rival, the Briton Robert Scott, reached it on 17 January 1912 and died soon after, along with his expedition companions, as a consequence of snowstorms.

These examples, and the one below, demonstrate that motivation to achieve goals is often not linked to financial incentive.

On 23 June 2001, the twelfth edition of the Quebrantahuesos cycle race left the Aragonese municipality of Sabiñánigo, bringing together over 4,500 cyclists on a 205 km cycling route across Spanish and French territory. Organized by the Edelweiss cycling club, the Quebrantahuesos is considered a classic race for non-professional cycling fans but is extremely tough on account of various climbs along the route to the mountain passes of Sompor (1,640 m), Marie Blaque (1,035 m) and Portalet (1,794 m).

In 2008, nearly 9,000 people participated in the race.

The departure of so many hundreds of people, from youngsters to veterans in their fifties, is an impressive sight. The motivation for most participants is to reach the finishing line in Sabiñánigo and receive a diploma accrediting their participation and successful completion of the race.

4.2.2. Motivation by power

Those motivated by power hope to achieve improbable goals that would be otherwise impossible. Their power may be political, institutional, labor or organizational. Motivation by power does not mean that the application of that power after it has been acquired will lead to positive results. Power may or may not be used properly.

An individual may be motivated to become mayor of their home town to implement projects they have been considering since childhood.

Ander Zabaleta wanted to become president of the Marathon XXI Athletics Club to promote and support athletics in the 9–10 and 11–12 age groups, endeavors he considered fundamental for producing excellent athletes in the future. Today the president and board of directors promote only senior athletes who reach certain marks.

4.2.3. Motivation by proximity and affinity

Many people are motivated by working with friends or people from a similar culture or ideas.

Álex Mendizábal was responsible for maintenance at Daroca, a company that operated in three shifts, each of which required a maintenance manager. On the night shift, the position was held by Félix Ibarbia, Álex's friend and colleague in the archery club of the town where they both lived. Álex suggested to the management that Félix should work on the first shift, arguing that

he was the best person to help him in the practical study he was conducting on preventive maintenance.

Communities of practice

The concept of communities of practice were named by Etienne Wenger of the Institute for Research of Learning after analyzing a 1991 event at Daimler Chrysler in which a group of engineers from different departments met regularly on their own initiative to discuss problems related to their area of work or activity. This led to the establishment of a working community in which learning was quick and easy.

These informal communities, which do not form part of the company's organizational chart, help employees to achieve remarkable learning. However, they go much further than that because daily relationships formed of their own volition among employees in a non-competitive but exclusively formative climate result in friendship between the members of the working community. As we mentioned earlier, people are motivated by affinity because this removes the fear of questioning ideas and promotes greater cooperation among team members. Although several years ago the opposite was believed, a work team made up of friends achieves higher levels of productivity.

4.2.4. Motivation by quality at work

Certain people are motivated to do their job excellently. Such people are found in academia, the business world, and the family environment. As they are usually highly demanding of themselves, they also demand high quality from others. Individuals who are methodical and orderly are not satisfied with themselves if, for example, their office is disorganized, and they become irritated if their subordinates or colleagues are messy.

4.2.5. Motivation by innovation

Motivation by innovation is what drives people to be creative and to discover new ideas, methods and technologies. One of the world's leading figures in the field of innovation was the American Thomas Alva Edison.

4.2.6. Motivation by money

This is explained in Section 4.7.

4.3. THE BASIC MODEL OF BEHAVIOR

People are different when it comes to motivation since needs and the abilities to achieve goals vary from individual to individual.

A basic pattern of behavior exists but the results may depend on the needs, anxieties, stimuli and desires of the individual. The basic model of behavior described in *Human Resources Management* by I. Chiavenato is seen below:

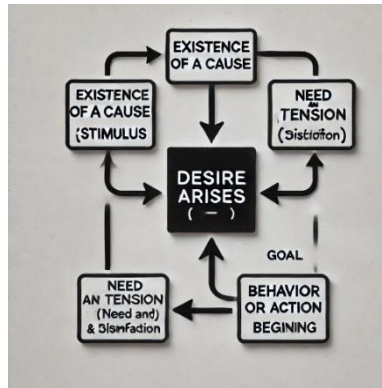


Figure 4.1. Basic model of behavior

When an individual satisfies a need, the organism returns to its previous state of equilibrium until another stimulus or incentive (cause) is produced. A need may or may not be satisfied. If the normal cycle is not followed, the individual may be affected psychologically (by aggressiveness, apathy, tension) or physically (by coronary heart disease, stomach ulcers, insomnia).

In short, people's needs produce desires. These desires provoke actions that lead to satisfaction.

4.4. MOTIVATION MODELS

Several researchers have analyzed motivation models. Below are just a few of these models. All have positive and negative aspects, as well as detractors and followers. No model is perfect (remember, everyone is different and reacts differently to the same facts) but all contribute something to our understanding of the motivation process.

The practical application of these theories of motivation has not achieved great results. One thing is theory and another is practice. The poor results in practice appear to result from two factors:

- poor understanding of the theories, and
- errors in the implementation phase.

4.4.1. Maslow's hierarchy of needs

It is reasonable to assume that after our first needs are satisfied, we seek to satisfy needs of a secondary order, for which we also establish priorities. During the Second World War, in the wake of the Hawthorne Studies, companies continued to express interest in the subject of motivation at work.

In 1943 Dr. Abraham Maslow published what, in his theory, constituted the order of human needs. In ascending order of priority, Maslow's five levels of needs are:

a) Elementary needs:

1. basic physical needs
2. protection and security needs.

(b) Intermediate needs:

3. social needs.

(c) Higher needs:

4. esteem and status needs

5. self-actualization needs.

Levels 1 and 2 are considered lower-order needs, while levels 3, 4, and 5 are known as higher-order needs.

According to Maslow, a level of needs is activated (hierarchically, from the lowest level to the highest) only after the level immediately below it is relatively satisfied. First-level needs are the basic ones we need to live, i.e. food, water and a place to live. People who lack these basic needs are not motivated by other matters. However, once satisfied, these needs lose their power to motivate. This causes discomfort for people, who need to reach the next level to become motivated. The second level requires security that these basic needs will always be covered, as will the need for clothes, work, the ability to save, and insurance.

Intermediated needs must be met outside work. However, we should remember that, since at least a third of our day is spent at work, third-level needs, i.e. social needs (relationships with people, esteem and the affection of others) are covered partly at work and partly outside work. Fourth-level needs arise because we need to feel valuable and to believe that others also think we are valuable. In developed countries such as ours, this is one of the most important levels because the previous three levels are already satisfied. Fifth level needs involve achieving everything, i.e., reaching self-realization.

Maslow experimented with his theory in US Air Force command training.

The current situation in developed countries shows that workers are fully satisfied with the first two levels of basic needs but not so much with the next or successive levels. In short, our affectionate needs mean that we often have to condition our behavior.

What happens when we reach level 5? Is there no opportunity to go further? Needs can never be fully satisfied.

In the field of cycling, great riders hope to triumph in the Tour de France. Numerous champion cyclists have done so several times, including Anquetil, Mercx, Hinault, Indurain, Lemond and Armstrong. In theory, they should be satisfied after winning the most important cycle race in the world but most of them have later tried to set the hour record.

Maslow's hierarchy of needs is not a panacea but it seems clear that if our basic needs are not met, we will not even think about higher-order needs. One criticism this theory has received is that, for many individuals who have attained their basic needs, their next priorities are unclear. Another criticism is that this hierarchy of needs depends on a country's culture (this is particularly evident if we compare Western culture with Eastern culture) and that, even in the same country, differences between people exist depending on their training, educational background, and personality.

4.4.2. Herzberg's theory

In the 1950s, Frederick Herzberg researched motivation at work with his team based at Western University. Productivity was considered to be conditioned by a person's happiness. A worker who was happy produced effectively but one who was dissatisfied did not. Herzberg

analyzed over a hundred studies that had been conducted on the relationship between productivity and happiness. With his colleagues, Mausner and Snyderman, he revealed that there was no consistent relationship between the concepts of productivity and happiness because sometimes it was positive and sometimes it was negative. Herzberg and his team further developed Maslow's theory, which they believed was basically correct but, rather than a continuous situation of happiness, they believed that two types of factors affect motivation at work: factors outside work and the work itself.

1. Herzberg called factors outside work hygienic factors (physiological aspects and safety, i.e. Maslow's levels 1 and 2). Although these factors may be important for job satisfaction, they do not generate high work performance by themselves. If they are inadequate, employees are dissatisfied but if they are optimal, they simply prevent dissatisfaction.

2. The work itself provides motivating factors. Have I achieved anything? Do you recognize my achievement? Is my work interesting enough to think about after the working day? Is it challenging for me? This means responsibility, fulfillment and recognition. Improving these factors increases productivity considerably. Promotion, the delegation of responsibility, freedom, and the expansion of position or functions are good. These factors never have a limit (like Maslow's levels 3, 4 and 5). We can always want more and more.

A merit of Herzberg's theory is that it has generated a model of application known as work enrichment. However, this theory also has its detractors. Some authors criticize the fact that little importance is attached to the motivational qualities of the hygienic factors. Others believe that no distinction should be made between the two factors since every factor is motivating.

4.4.3. Theory X and Theory Y by Douglas McGregor

Earlier we reviewed the history of industrial relations and discussed the different assumptions made about people by scientific organization (Taylor) and the approach to human relations (Mayo). The clear difference between the assumptions made by these currents (Taylor and Mayo) was analyzed by Douglas McGregor in his famous X and Y theories. McGregor called the traditional assumptions (Taylor's postulates) theory X, and the others (Mayo's postulates) theory Y. At MIT (Massachusetts Institute of Technology) in the 1950s, he asserted that managers behaved according to the theory held about human behavior. Until then, two currents of opinion on people's behavior existed: Taylor's theory and the different approach to human relations (Mayo). In 1960 McGregor's complete work was published in *The Human Side of Enterprise*, according to which:

- a) A manager who supports theory X is inflexible and therefore autocratic, since his concepts are:
 - normal human beings have a natural aversion to work and will avoid it as much as possible,
 - because of their apathy, they must be forced, directed and threatened with punishment in order to work, and
 - normal human beings prefer to be directed because they do not want responsibility, have little ambition, and above all seek security.

McGregor asserted that these theories would not have been so active if managers had not observed a concurrence with workers' behavior that made them justified. On the basis of this assumption, management establishes its policy in this regard, issues orders and monitors the workers, who, fearful of punishment, obey. However, McGregor also affirmed that research on modern human behavioral science shows that the above vicious circle, based on command-punishment, can be broken. From here he developed his theory Y, which posits that:

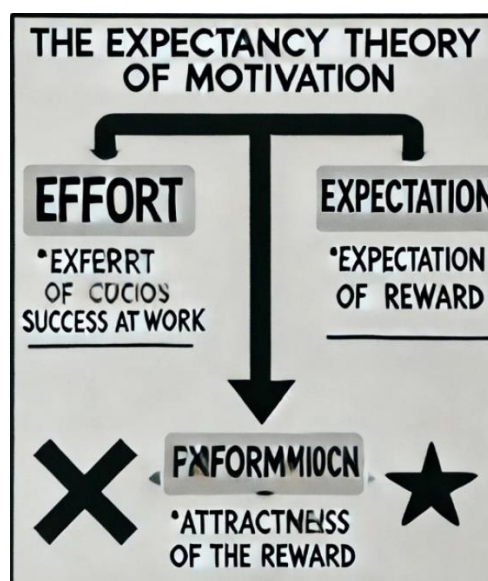
b) A manager who supports theory Y tends to involve workers and systematically avoids the whip, since:

- people are not lazy by nature. Although, logically, mental and physical effort at work (such as practicing a sport) is tiring, people do not have an aversion to work. Work can give people satisfaction if they control it, have a degree of autonomy, make decisions, and realize the importance of their work for the company.
- threats and punishment are not suitable means for achieving work. Other concepts, seen above, are much more motivating.
- adherence to the organization's objectives depends on the rewards given for achieving them. These do not have to be monetary since the most important aspect is the worker's self-fulfillment.
- it is not true that people avoid responsibility; in fact, they often seek it.

According to McGregor, managers did not consider people and applied obsolete concepts when managing their companies because they leaned towards theory X when, in reality, many people are closer to theory Y. McGregor's postulates were relevant in the 1960s and generated interest among managers.

4.4.4. Victor H. Vroom's Theory of Expectations

This theory is widely accepted by psychologists and sociologists today. Maslow's and Herzberg's theories are based on a hierarchy of needs or on two classes of motivating factors. However, experience shows that different people react in different ways. According to Vroom, motivation is a product of three factors:



Effort (expectation of success at work)

This is the estimated probability that the effort made will achieve success at work.

Door-to-door booksellers may know from experience that the volume of their sales is directly related to the number of visits they make. An industrial engineer who is head of the Technical Office and wants to become technical director estimates that a couple more years developing and completing a distribution project on the factory floor and creating flexible cells will put them in a position to be recognized within the company.

Work done (expectation of reward)

Individuals are convinced they will receive their reward once their work has been completed.

In the case of the industrial engineer, this is the probability that, after two years, the company will recognize their work and promote them to the position of technical director.

Attractiveness of the reward

The greater the individual's desire to achieve the prize, the greater the motivation.

In the case of the industrial engineer, this means becoming a technical director.

In expectancy theory, these three factors can exist and combine in different ways. Motivation will be maximum if all three of these factors are high, while the weakness of any one factor will negatively influence the outcome. Motivation will be minimized if all three factors are weak.

Simplification of the theory

Motivation = Desire x Probability.

Desire can range from -1 (no desire) to +1 (maximum desire) and probability can range from 0 to 1.

One criticism of expectancy theory is the difficulty in evaluating factors (desire and probability).

CASE STUDY: A SALES MANAGER FOR LARGE STORES

Raskit, S.A. manufactures detergents for washing machines and dishwashers. Its sales department comprises a sales director and three sales managers. Aitor Velasco is the head of Sales for large stores.

Velasco has a great ambition to become commercial director. He knows that by increasing sales and doing a high-quality job in recruiting the most important customers, he will receive recognition from the commercial director, who will suggest to the general manager who his replacement should be. As well as the general manager, the main roles at Raskit are the managers responsible for purchasing, production, quality, finance, administration and sales. Velasco, who has only a bachelor's degree and does not speak English, knows the company's guidelines, which state that:

- *managers will preferably have higher education degrees.*
- *since they belong to an English multinational group, managers must speak English correctly.*

Questions:

Discuss how the expectancy model or theory works in this scenario.

4.4.5. J. S. Adams's equity theory

According to this theory, workers are motivated in their work if they perceive a fair relationship between what they contribute to the company and what they receive from it. If they believe they contribute more than they receive, they will become demotivated and alter their behavior.

The same occurs when workers compare themselves to their coworkers. If they contribute the same to the company as other workers but receive a lower remuneration, they will feel demotivated, reduce their contribution level, or demand a higher recompense.

4.4.6. Skinner's theory of behavior reinforcement

The above theories share the same difficulty, i.e. how to identify workers' true needs, many of which are unknown to the subjects themselves. To avoid this problem, psychologists such as Thorndike, Hull, Spence, and Skinner have analyzed the effects of behavior rather than its causes. Skinner's study relies heavily on well-known experiments with a dog. This animal learned that every time a bell rang, it received food, which evidently gave it a sense of well-being. In this way, a relationship was established between behavior and satisfaction, to the point that every time the bell rang, the dog's salivary glands began to prepare the body to receive food. Skinner says that all human behavior produces an external (pleasant or unpleasant) effect on the subject, who tends to repeat behaviors that have caused pleasure and avoid those that have caused pain or unhappiness. Every pleasant experience tends to reinforce the behavior that caused it and every unpleasant experience tends to weaken the causative behavior.

In the workplace, a good merit-based assessment system can give workers recognition for their good performance, which predisposes them to repeating it. If a worker finds that after making an extra effort they are not rewarded and recognized, they will hardly be in a good mood when they are needed again.

Any system of rewards and punishments, used sparingly, can reinforce good behavior at work and weaken or eliminate defective behavior.

4.4.7. McClelland's Theory of Achievement Motivation

Developed at Harvard University, McClelland's Theory of Achievement Motivation is perhaps one of the most applied theories in the world of work. It is a consequence of Thorndike's Law of Effect, according to which we all hope to succeed and avoid punishment or failure though the focus on these aims is not necessarily equal. Some people take risks to achieve success, thereby exposing themselves to failure, while others, who are more conservative, fail to achieve success because they do not take risks. According to McClelland and his research team, different people have different needs:

- Achievement: some people search for jobs with responsibility, take risks, and seek competition rather than affiliation.
- Affiliation: some prefer to develop friendship in work groups rather than promote personal achievement.
- Power: others seek the power to command and control everything.

For McClelland (Aranzadi & Thomson Human Resources Factbook), *the motive for achievement is a continuum that goes from the search for satisfaction to the avoidance of setbacks*. This theory asserts that a person's performance depends not only on their motivation but also on their environment and the motivations of third parties, such as their boss and their work team.

4.4.8. William Ouchi's theory Z

William Ouchi, a professor at UCLA, suggested that American managers should create the family-like or industrial clan qualities in their own companies that formed the basis of human relations in Japanese companies. He named his ideas theory Z, thus implying that his studies are an extension of McGregor's.

When Japan addressed the industrial revolution, it had to take into account its history of agrarian feudalism, whereby workers enjoyed paternalistic protection. For example, parents did not allow their children to work for a company if it did not first provide them with housing, food and stable work.

In Japan the relationship between workers, managers and employers was substantially better than in the West or America, where industrial relations were based on remuneration in return for work done and included free dismissal and few social benefits.

The basic principles of Japanese industrial culture led to the development of values by which workers accepted and respected the authority of companies in exchange for feeling protected. This is how business clans, in which workers and businessmen moved in the same direction, emerged.

Through his theory Z, Ouchi says that this favors relationships, including workers' participation in the business project and interpersonal relationships at work, which foster a good working environment. He also says that several American companies (e.g. IBM and Hewlett-Packard) have put these ideas into practice with great success. These companies, which resemble the Japanese model but come from a different culture, are called Ouchi Z organizations. Theory Z is characterized by a doctrine that corresponds in large part to humanism. With a clear democratic tendency, it is based on an interest in sharing, meeting the multiple needs of workers, and emphasizing the decision-making process by consensus.

For example, joint committees of managers and workers are created, channels of communication with workers are established, and workers are trained in decision-making processes or techniques. Teamwork and participation are key and a climate of trust reigns in the company.

Another essential aspect according to Ouchi are interpersonal relationships: "Human relationships are always complex." A good boss who knows their subordinates well can help them to achieve fulfillment. It must be decided who fits well with whom in order to best organize good work teams that are able to function effectively.

Feeling of belonging to the company and loyalty

To explain how Japanese workers profess loyalty to their companies, Ouchi published the case of a company located in Japan. The company's workers knew more than a month in advance that they were going to go on strike. When the day arrived, they went on strike and displayed visible signs of protest (posters) but in the afternoon they cleared the whole area and no posters, leaflets, cigarette butts or food scraps were left behind.

Later the workers wished to compensate the company by achieving the production for that day without charging overtime. Because they did not agree with certain things about the company but it had been impossible to express this disagreement through the normal communication process, they transmitted their complaints by not working on that day.

Strikes in Western companies are not called only as a last resort. Often they are the first recourse, are sometimes not justified, and have also been used as a weapon of confrontation. In the above example, the strike was used as a last resort and kept to a minimum (one day). Moreover, the lost production was recovered at no cost to the company and the strike area was cleaned up.

In the United Kingdom, Margaret Thatcher wanted to end the abusive actions of British unions in the 1970s by limiting their room for maneuver to the company where the conflict occurs.

Spain saw many developments during the 1990s. For several years after the death of General Franco, the strategy of trade unions involved picketing as a form of coercion because they were unclear about their strength in a country characterized by a very low level of union membership and where individual interest took precedence over collective interest. This slowed down the acceleration of the country's economy.

Picketing today makes no sense and has even less justification since we live in a climate of freedom of communication that makes such tactics anti-democratic.

The company-worker loyalty binomial was key to the response delivered by the Japanese workers. Until recently, when Toyota announced it would no longer be able to make the commitment, the most important characteristic of Japanese companies was that they provided employment for life. However, as Ouchi says, this was not always so. In any case, such a commitment employment is not a gift but something that is earned through the effort, initiative and loyalty of all. In the West, on the other hand, where tasks are specialized, cooperation, which involves giving and receiving, is more difficult. Workers are more concerned with their specialization – their career – than with the company as a whole.

What will happen from now on in Japan? Present and future conditions are not as they were in the past. Theory Z has not been tested much in Western companies and some of the pillars on which it is based have been questioned.

A news item published on 20 August 2000 in Heraldo de Aragón announced the dismissal of 10,000 workers at Fujitsu. Over three years, this manufacturer of high-tech products was going to lay off more than ten thousand workers (roughly 10% of its workforce worldwide) to deal, according to company sources, with the sharp decline in the sector. The move was part of a reorganization plan that included the withdrawal of unprofitable businesses and the closure or merger of local and foreign plants. The job cuts would mostly affect operations in the United States and Asia, and a large number of workers would either be laid off or transferred elsewhere.

Clearly, the Japanese employment system is undergoing important modifications due to generational changes and globalization.

4.5. STATUS

According to Davis and Newstrom in their book *Human Behavior at Work*, status is the social rank of the individual within a group or organization. It is a symbol of the degree of

recognition, respect and acceptance afforded to a person, for whom loss of status is often a demotivating factor. Although society has evolved positively in recent years, status is still important as a motivating-demotivating factor.

The clients of a consultancy were angry because most of its work was completed later than planned. The consultancy's director therefore decided to put the project managers who met their deadlines into individual offices separate from the others, appointing them chief consultants with their own secretary. The consultants who did not finish their projects on schedule then began to work better so that they could enjoy the same status as the others.

Sources of status

- Studies
- Professional category
- Personal skills
- Technical skills
- Salary
- Seniority
- Age

Status symbols

The following elements give people a certain level:

- Rank: director, manager, dean, chief.
- Office: individual, type of furniture, computers, good views.
- Privileges: company car, a secretary, flexible working hours, reserved parking space, company credit card.
- Relationships: working for an important person, being a member of a distinguished work team.
- Remuneration in wages or in a salary.

Importance of status

Although they may not have the prestige they used to, status and its symbols are more important than they seem. It is important to take them into account when analyzing the behavior of an organization as such issues can lead to conflict.

4.6. MOTIVATIONAL TOOLS OR STRATEGIES

Success in motivating staff depends on the concurrence of business and staff interests.

Many of us find it difficult to self-motivate. It is not surprising, therefore, that motivating others is a complex task.

A company once requested my services to analyze its working environment. The results of my analysis clearly indicated that the company's employees were not motivated and that the general manager was responsible for this general lack of motivation. When I presented my

findings to the CEO, encouraging him to implement a genuine policy that would help to motivate the company's staff, he replied: How do you expect me to motivate the workers if I am not able to motivate myself?

What a lack of motivation costs

At the end of the twentieth century, there was talk of reducing the working day to 35 hours a week. However, according to a survey on working time in Spain carried out by the National Institute of Statistics, the real working week was only 34 hours due to absenteeism (bear in mind that the current working week is generally 40 hours a week).

Occasional absences are considered normal and will always occur. Nobody is so perfectly healthy that they can easily shake off a simple flu. However, when absenteeism is repetitive rather than occasional, a worker's illness usually stems from a more serious situation, such as a lack of motivation.

Workers can be frustrated by certain aspects of their daily work, such as boring, monotonous tasks, non-delegation of responsibility, being over-qualified, having little or no participation in the company's decisions, poor communication, and non-valuation of one's work. All these aspects lead to absenteeism. Personal problems that also negatively affect absenteeism, such as family illnesses, divorce and children's problem, should also be taken into account.

How managers can motivate

- Motivation is not a quantifiable activity over the working day. It is not something a manager acquires after attending a training course on People Management. What matters is to believe in it and to create the conditions in the organization for people to work in a satisfactory environment.
- Clean facilities, fair management, and good financial rewards, etc., help to create the conditions in which staff work hard. But these are not enough. A further ingredient, that of positive motivation, must be added in order to get to know one's employees well enough to learn how to motivate them in a positive way.
- Attention in companies usually focuses on those who are considered to be bad employees. Clearly, there are problematic employees and those who occasionally behave negatively. But do we try to understand the cause of their behavior? Why does a person sometimes not perform? Sometimes they may have physical problems. Every morning when people go to work they are in a different physical state that may make them unsuitable for performing their tasks properly. But also, how are they feeling emotionally? What problems did they have at home the previous day? In principle, it is essential to believe in people. In the next two sections we will discuss the various forms of motivation that exist with and without using money.

4.7. MOTIVATION WITH MONEY

According to Malcolm Forbes, money is not everything, as long as you have enough.

Although money is an important motivating factor, it only motivates if it is needed. Moreover, it is not the only motivating factor and sometimes it is not the main one.

Employees can receive the following types of remuneration:

4.7.1. Salary (fixed + variable)

Many companies get employees to work by paying them more (in bonuses and gratuities). Remuneration systems for productivity are outdated because rewards do not change people's attitudes at work. Nowadays, companies consider incentive systems based on competencies; i.e., incentives are based on different sums, some of which are fixed and others are variable. A worker's annual salary should be based on the sum of four factors:

- Job evaluation (fixed remuneration).
- Assessment of the worker's skills and knowledge, with employees updating their knowledge acquired through learning (variable remuneration).
- Assessment of the worker's competencies, such as versatility, initiative, decision-making, suggestions, attitude, responsibility, availability, discipline, quality of work, absenteeism, punctuality, order and cleanliness in the workplace, collaboration, and commitment to the organization (variable remuneration).
- The fulfilment of objectives both individually and in teams (variable remuneration).

A modern competency-based remuneration system should:

- include remuneration based on several of the above variables.
- change the meaning of incentive = reward and replace it with the concept of in-house training to properly prepare the worker for their role. Current incentive systems should therefore contain a set of variables whose evaluation will provide workers with vital information that, with help and ongoing training from the company, will form the basis of the system.

As teamwork in companies increases, it is logical to think that an appreciable component of variable remuneration should focus on the team since it would be illogical to prioritize people individually when the objectives are achieved by the team as a whole. In any remuneration system that comprises both a fixed component and a variable component, it is important to observe the size of the variable component because:

- If it is too small, it will not be an incentive for the worker.
- If it is too large, the worker may feel insecure.

There must therefore be a balance between the fixed component and the variable component of the remuneration. Some companies have abolished their entire system of incentives for productivity-based remuneration. In some of these companies, productivity fell at first (perhaps for a few months) but then returned to the same level as before.

Companies must be willing to give reward but this must always be based on what they are getting in return. This is why variable remuneration is increasingly planned according to the results achieved by the worker. A direct relationship between the company's objectives and the remuneration of its workers must be established.

Returning to the concept of motivation by money, numerous studies have shown that workers whose pay has been reduced by half become demotivated but, on the other hand, their productivity does not increase by the same proportion if their salary is increased. Various surveys conducted to evaluate what workers most want from their work find answers such as autonomy, professionalization, and challenge. Money is low in their order of preferences. This is why there are university professors who write articles for scientific journals that do not pay

anything and why there are illustrious lecturers who do not get paid. Payment in these cases is unnecessary because the money does not give them what they are seeking, which is the feeling of achieving success and contributing to humanity. Many examples could be provided of rewards that have been given to employees but have no cash value.

Some companies have incentives for their sales staff that involve reaching levels named after birds or forest animals. Japanese companies encourage employees by systematically presenting them with pieces of cutlery. Completing the set after many years represents a real challenge.

The above examples are not a panacea and can be questioned depending on their approach and the organization's culture. However, they show that motivation is not achieved exclusively through money.

Comparative salary

Differences in salary between employees in the same organization can be a source of conflict. People compare their work and salary with those of others who do the same job or who are at the same level.

Assume that T is a worker's salary and S is someone else's salary:

- If $T > S$, the worker can increase their performance.
- If $T = S$, worker knows they are being paid equitably in comparison with the other employee.
- If $T < S$ worker is demotivated.

Seniority

In rigid civil service organizations, salaries within the same category are closely linked to seniority. It is clearly demotivating for efficient workers to discover that, whatever they do, other people who may be inefficient, have less initiative and are less predisposed to work earn the same salary or even more. In some organizations, salary remuneration policy is based on seniority rather than a worker's contribution. Bonuses for seniority used to be based on a worker's experience. This concept is no longer valid since workers should be rewarded for their merits.

Wage increases through collective agreement

Wages should not be adjusted solely based on the collective agreement but also on performance outcomes. While the agreement provides the regulatory foundation, the organization should go beyond this legal framework to acknowledge employees who demonstrate exceptional contributions. Complaints are frequent, especially in service companies, that those in charge are not fully aware of what activities workers are performing and thus lack the criteria they need to evaluate salary increases.

CASE STUDY: THE ORUGA CONSTRUCTION COMPANY

Oruga is a small construction company with three key areas (Management, Technical Management and Commercial Management). Each area has a Management Secretary, each of whom is highly efficient and knows two languages. Despite their youth, their average of six years in the company has provided them with interesting experience.

Also in the company are two administrative secretaries, each of whom has the same level of education, but whose performance, without being unkind, is not at as high as that of the three Management Secretaries, nor do they have the same level of responsibility.

There is disquiet among the three efficient secretaries because all five secretaries have practically the same age and preparation, their employment contract is similar, and all salaries are similar.

Task: Analyze this case in relation to the remuneration system.

4.7.2. Remuneration for suggestions made (variable remuneration)

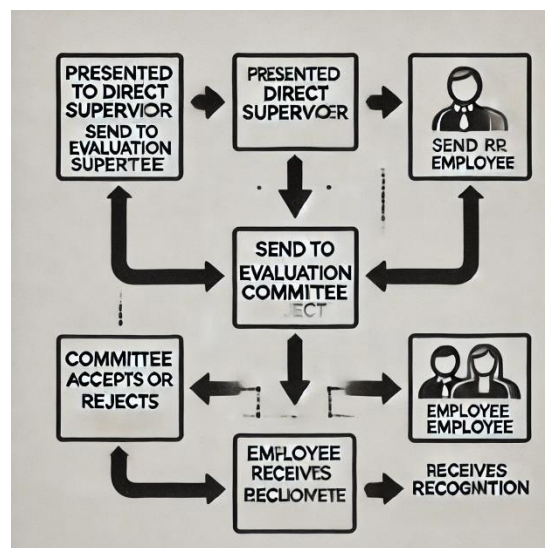
Some organizations have programs to recognize employees' suggestions, whereby an employee makes a suggestion to their direct manager, who sends it to an evaluation committee to determine whether the suggestion should be implemented.

If it is implemented, the employee receives the financial reward stipulated in the program in accordance with the scope and profitability of the project carried out as a result of the suggestion.

In such programs, the profit earned by the organization thanks to a suggestion that was turned into a project, whether it was related to their job or not, is rewarded. Suggestions that do not bring benefit to the company are also remunerated financially to reward an employee for their industriousness, initiative and interest. Such programs must consider two types of suggestion:

- important suggestions requiring a laborious process to implement.
- day-to-day suggestions that are less significant but are also important and must be resolved – such as putting a plant in the lobby, placing umbrellas in certain sections to enable access on rainy days, or attaching a more powerful spotlight to illuminate the access door to a specific location.

A process for a suggestion program is as follows:



In these programs it is important to:

- communicate with the employees.

- respond quickly to workers' suggestions.
- acknowledge the employee's suggestion. Some companies send the worker an acknowledgment of receipt with a small gift when their suggestion reaches the evaluation committee. The committee should then respond as quickly as possible with their decision.
- motivate employees to submit suggestions even if they are for seemingly simple matters.
- process all suggestions without evaluating them or criticizing them unduly.
- publicly recognize employees who make suggestions.

Some companies reward employees based on the quality of their suggestions. These rewards can take various forms, such as:

- Recognizing the top idea on a quarterly and/or annual basis.
- Acknowledging the top three ideas on a quarterly and/or annual basis."

Although a suggestion program should enable workers to make suggestions freely whether they are related to their work or not, a company may propose or recommend a topic as a priority objective. For example, workers may be asked to think about their job in terms of:

1) Productivity, including

- how to reduce changeover times
- how to improve quality
- how to reduce defects
- Ways to maximize machine production hours
- how to save on raw materials
- how to improve cleaning operations

2) Environmental protection, including

- how to save energy
- how to reduce waste
- how to reduce noise levels

3) Safety, including

- how to reduce the risk of accidents
- how to prevent risks through information and signage campaigns
- what additional security measures to implement

4) Organization, including

- how to simplify manufacturing process operations
- how to improve information
- how to cut down on forms and manual documents

- how to reduce machine downtime

Companies' suggestions programs aim to actively involve and motivate all workers and in turn incorporate savings or improvements.

What is considered a suggestion or proposal for improvement?

A suggestion for improvement is any worker's proposal that, when developed, results in a profit for the company that exceeds its cost. Suggestions are usually related to the employee's work since that is what they know and where they carry out their daily activity. However, suggestions related to other jobs or departments are not excluded. Occasionally, and in some jobs, suggestions are not accepted from people whose job specifically involves providing improvements in the technical, commercial or quality fields, etc.

What is the role of the evaluation committee?

The evaluation committee receives the suggestions from the employees' managers, studies them as quickly as possible, and responds to the employees who made them.

Rewards

All companies should study the reward system for employees' suggestions. Possible lines of reward are:

- suggestions that are not implemented (these suggestions can be acknowledged, and explanations for not pursuing their development can be provided).
- suggestions that are discarded but have involved much effort or study by the employee concerned.
- suggestions that are implemented and where the profit can be evaluated.
- suggestions that are implemented but where the profit cannot be evaluated, e.g. systems for risk prevention or for the environment, etc.
- Suggestions whose results are translated into patents.

Involving workers in improving the production process through suggestions programs is spreading. One of the oldest companies to incorporate this practice is Michelin, a multinational tire manufacturer, whose suggestion program, called "Ideas of Progress" dates back to 1927 when it first launched the idea and first provided suggestion boxes.

In Spain the rate of suggestions (three suggestions per employee per year) lags far behind that of Japanese companies, where it is three times that number.

Some companies use imaginative methods for rewarding successful ideas, such as days off, cash contributions for charitable purposes, personal recognition, lunch with senior managers, or registering the product with the name of the employee who made the suggestion.

The main problems with suggestions programs are:

- workers may consider the remuneration insufficient compared to the profits they make for the company
- workers may look unfavorably on colleagues who distinguish themselves by providing creative ideas for the organization.

- the suggestion may go against the position of the works council.
- the suggestion may necessitate a large amount of bureaucracy.

4.7.3. Remuneration in kind or of a social nature and rewards

This type of remuneration can be part variable and part fixed. Diverse in nature, it depends on the size and resources of the organization and includes pension plans, health insurance, life insurance, scholarships for workers' children, travel expenses, company cellphones, nurseries, low- or no-interest loans, stock options, trips, sports activities, prizes and contests, etc.

Whether this type of remuneration increases an employee's motivation is sometimes called into question. Obviously, some types do and some do not – it depends on how they are presented and whether they become routine.

Note that if a reward or privilege is not individually oriented but is offered to all employees, or if it is not awarded for specific achievements, it will not be considered a motivating factor. In fact, presenting a gift to everyone can be demotivating for those who have made a great effort.

It also often happens that social benefits such as medical, dental and optical insurance are not valued by workers who have been with the organization for several years, have become accustomed to enjoying them, and believe it is normal to have them. This type of incentive must be studied in depth by the organization in order to evaluate their costs and benefits. Note also that these types of benefits are significant factors in attracting talent. Examples of this type of remuneration are:

1) Participation in company shares

Employees may receive shares in the company as a reward for objectives reached. Making workers feel like owners of the company they work for is one of the best ways to reward them. Studies conducted in this area show that if employees own a certain amount of stocks or shares, they put more effort and dedication into their task. Generally, though, a company's stocks or shares must cost the employee something: only in justified cases should they be considered a gift.

Worker involvement is easier in cooperatives than in companies where workers do not have any representation in the shareholding. Evidently, one of the keys to modern organization is the participation and integration of workers. In a cooperative, all workers know the company's plans and strategies. Since they have constant information about what is happening, integration and cooperation are easier. Integrating people into the cooperative world is therefore a competitive factor.

The remuneration system named stock options involves all or some employees being able to buy shares in the company they work for. This encourages loyalty to the organization and better performance and is one way to retain the best talent. Human capital is important and, since good employees are not in abundance, companies must always be thinking about attracting the best employees – even if they do not need them at that moment.

Stock options have become one of the most famous work incentive schemes in recent times. However, this type of remuneration can create problems with taxation. This is an important issue to solve.

2) Awards

The types of awards depend on the company, its employees, and their imagination. As usual – and this should be emphasized again – motivational tools are not fixed because everyone is motivated differently and each organization is different depending on its people and culture. What suits each company best should therefore always be studied. There is a discrepancy in relation to awards. Current thought is that recognition should be shared, i.e., personal successes are not of interest. If only the best are given awards, the other team members can become demotivated. This should be taken into account when awards are established for the best idea of the month or the best worker of the trimester, etc. because: What criteria are used to choose the best idea? How do you know who is the best worker in a trimester?

Some companies give awards to the worker of the trimester, the worker of the year, or the loyal worker, etc. Numerous aspects may be assessed for this type of award, including customer service, sacrifices made for the company, loyalty to co-workers, accessibility and availability for the company, and training received. In some organizations the employees themselves nominate their colleagues and the management later chooses the winners.

3) Contests

Keys to a successful employee contest include:

- promoting the program and informing employees of its purpose
- setting realistic, achievable and evaluable goals
- limiting the duration of the contest to a reasonable time
- setting uncomplicated rules
- ensuring that the awards are desirable for employees
- matching the reward or prize with the objective achieved, and
- presenting the reward.

A good way to achieve success and promote desired behavior among employees is to offer a reward as a prize in a contest. Many Spanish companies, especially in the industrial sector, invite employees to detect anomalies or problems that are directly related to their job. Once they have described the problem, they must provide a practical solution. Their extra effort is then rewarded with publications in specialized press and public recognition. The savings made on a certain process can sometimes lead to an increase in salary that is proportional to the decrease in costs that result from applying the improvement.

4) Travel or special events

A significant reward in terms of cost, planning and time can be a trip for employees who have achieved significant results for the organization.

Advantages:

- This type of remuneration is generally well received.
- It promotes team spirit or education.

- It is a source of pride for employees.
- It gives the company a good image.

Disadvantages:

- It is expensive.
- It means employees are away from work.
- Creating a quality travel program requires a great deal of effort and expertise.
- Only a few employees usually earn this reward.

5) The company's own products or services

Some companies offer their own products and services as a reward for their employees:

- Film distributors may provide cinema tickets for an employee and a guest.
- Hotels may provide entrance tickets for shows or meals in its restaurant once a month.
- Airlines may offer free tickets for employees and their family members.
- Supermarkets, textile companies and manufacturers of dairy products, etc., may offer their workers discounts to buy their products.
- Companies that produce milk, coffee, newspapers, soft drinks or other consumer goods may distribute their own products among their employees on a daily or regular basis.

6) Sports activities

Some organizations promote the practice of sports activities because they:

- benefit the health of workers and reduce sick leave
- stimulate creativity
- stimulate concentration and help reduce occupational accidents
- promote communication and bonding through sports teams
- reduce depression, anxiety, and stress

When promoting such activities, the company should:

- survey the opinion and wishes of its workers to determine the best way to approach the activities while taking into account their suitability depending on the characteristics of its workers and the environment in which the company is located,
- depending on the demand for activities and the number of workers, encourage their workers' participation in their own or in foreign tournaments, and
- depending on the size of the company and its possibilities, provide finance for uniforms, sports equipment, courts and human resources.

7) Loans

Some companies provide low-interest loans to help their workers to buy homes or vehicles or make home improvements.

8) Nursery schools

The incorporation of women into the world of work has significantly increased the demand for childcare. Above all, couples who want the best for their children are increasingly demanding quality childcare. Solving this problem for workers is a motivating factor. This service can be financed in several ways. For example:

- Part may be paid by the company and part by the workers. Depending on the country and its regulations, the cost of childcare may be considered a payment in kind.
- Some organizations have their own childcare service. Like any other type of social service, this must be studied and evaluated.

9) New offices

It is necessary nowadays to change the way we work from how we worked until recently. In sectors such as banking and insurance, physical structures and offices are evolving in favor of digital spaces with mobility criteria (hot desking), the possibility to connect anywhere, an interest in leisure in the workplace, and office hoteling (workers dynamically schedule their use of workspaces such as desks, cubicles and offices).

There is a trend towards changing the design of new offices since workers nowadays have a great deal of mobility and work outside them for much of their time (up to 60–70%) in meeting rooms or away from the office. Attempts are being made to pleasantly condition open spaces and leave closed offices behind since having offices unoccupied for so long is a waste. Hoteling and hot desking are sought where indoor spaces can be used for leisure, such as gyms and rest areas.

4.7.4. Profit sharing (variable remuneration)

Profit sharing is annual remuneration based on an organization's profits. This can be interesting for organizations because it makes workers feel they are partners in the business.

Remuneration in kind and profit sharing should both be regulated by the best tax regime for employees. In other words, employees should receive these benefits (certain types of insurance and childcare, etc.) as a salary in kind that is exempt from taxation.

4.8. PROBLEMS ASSOCIATED WITH MOTIVATION BY MONEY

Competition between people can be a motivating factor but there may be problems if everyone can win. If a reward is offered to incentivize the best salesperson in a company, difficulties can arise if non-winners think that the winner has performed an unfair action or if the winner is collectively rejected by the other salespeople. On the other hand, offering a reward to everyone who reaches a certain target, such as achieving sales above a certain figure, means that everyone can be a winner.

4.8.1. Characteristics of workers who are motivated by money

- They have to want to make money.

Earning more money often has drawbacks because it requires:

— working more hours,

- performing better,
- working and traveling during holidays, and/or
- taking on greater responsibility.

In other words, employees who want to earn more money have to accept the above requirements. However, their sacrifices can be recompensed by the benefits, including higher living standards and better social status.

- They have to know the money-performance relationship. Workers need to be aware of the close relationship between money and performance: to earn more money they also need to increase their performance at work.
- They also have to know the performance-effort relationship. If workers want to earn more money, they will need to perform more and for this they will need to work harder. Sometimes this effort-performance relationship is not proportional.

4.8.2. Reasons why some employees are not motivated by money

- They do not want the new status that comes with earning more money.
- They do not want to take on more responsibility.
- They may get frowned upon by their co-workers.
- They believe that the time they need to invest in order to earn more money will mean they have less time to spend with their family or friends.
- When a worker steps onto a company's career progression ladder, there are usually no limits and the complexity of the work increases.

4.8.3. Difficulties in motivating with money

- Because the cost of living is constantly increasing, employees will perceive as a reward only amounts of money that exceed the cost of living. Increases below this cost of living are not worth the effort.
- If the reward arrives in the form of an increase in salary at the beginning of a new financial year, workers will not perceive this increase as a recompense for their improvement.
- Performance is difficult to measure and, even if it can be measured, workers may feel it has been rewarded unfairly.
- Some workers whose performance is low and who receive less money may adopt an attitude of passivity or rejection, thus resulting in further decreased performance.
- The relationship between return and money is inflexible: if the worker's return goes down, rarely does the salary go down accordingly.

4.9. MOTIVATING WITHOUT MONEY

People have two types of needs: physical/material, and spiritual. To mitigate material needs, people require food, clothing, adequate housing, money for their children's education, and the ability to cover minimum levels of well-being. However, spiritual needs

are often not met. We want to be masters of our own destiny and to have incentives for what we do both in our personal lives (friends, family, love) and at work. Today's society is characterized by the pursuit of material needs at the expense of our spiritual needs.

Every day our lives are better materially: the products we buy are better and our comfort is greater. Wealth, however, should not be an end but a means for achieving more important goals in life (Aristotle). For this reason, there are important concepts in organizations, such as the working environment, training, fair treatment, the meaning of work, etc., that deal with our non-material needs. Employees may have the skills they need to do their jobs but they may not be performing at their best because they are not sufficiently motivated.

One of the big problems in the field of motivation is that everyone perceives things differently. Managers and team leaders must therefore accept that each individual has their own emotions and attempt to motivate them in the individual way they require. This is why motivation is difficult and complex. Evidently, there are as many ways to satisfy workers as there are workers. However, this does not mean that management must invent a thousand different ways to meet the needs and desires of each individual because common patterns of behavior can be perceived among a group of workers. By finding these patterns, management can reduce or eliminate their unfulfilled desires. The most common wishes expressed by employees can be summarized as follows.

1) Variety in the task

Routine work is demotivating. Non-repetitive or creative work, on the other hand, challenges and motivates workers.

For a number of years I have been closely following the first professional jobs taken by my students from TECNUN School of Engineering. Since their first jobs are key to their training, I advise them that when they do not acquire significant learning, they should look for another job. Normally, first jobs are motivating for young engineers because they are new and unknown to them. But when they get stuck in a rut, they realize that their days in their organization are numbered.

2) Gratitude

Gratitude is one of the most motivating factors for people. A sincere word of thanks at the right time can mean much more to an employee than a raise. It means a lot to know that someone has taken the time to value one's work, find out who has done it, and praise them. Examples of ideas for putting gratitude into practice are:

- write a thank-you note in your own handwriting.
- find out about a worker's hobby and buy them a small gift related to it.
- organize events to celebrate an achievement: these should be planned, not improvised, and should be appropriate to the situation and the person being recognized.

3) Let employees see the importance of their work

People enjoy doing things well, whether they are sculpting, drawing a plan or fixing an engine. The problem is that the tasks people do are often just small pieces in a big puzzle. This is where a good manager helps a worker to see the whole picture and how their work

contributes to it. Thanks to the tendency nowadays to process structures, it is easier for employees to see complete cycles through their presence in work teams.

4) Delegate

For an employee to be satisfied in their work, they need to have a certain responsibility that will give them the autonomy for making decisions. This will undoubtedly increase their motivation. Employees will work better if their bosses delegate functions to them in their work and other aspects of the company.

Delegation should not be confused with the abandonment by a manager or boss who cares little about the person they are delegating, does not want to know anything about their activity or how they are performing it, and neglects the responsibility they assume when delegating. In addition to not helping the worker they have delegated if they encounter some kind of difficulty, this type of boss often acts autocratically if the subordinate makes a mistake.

Some managers are afraid to delegate. They prefer to surround themselves with mediocre people for fear of being overshadowed. They believe that delegation is loss of power. Others do not delegate because they are perfectionists and believe that no one does things as well as they do. Both attitudes are a mistake. To delegate you have to believe and this belief is only acquired by giving confidence to the person to whom you are delegating. *If you delegate the responsibility for choosing and administering corporate gifts to your secretaries, you cannot later intervene in their choice. If you delegate that job to them, you must trust their taste in gifts.*

According to Peter Druke, the challenge for the twentieth first century is for knowledge workers to manage themselves.

Tesco was the first food-sector retailer in the United Kingdom to delegate solving problems with customers to its workers, thereby eliminating bureaucracy for the bosses. Workers were allowed to replace products or refund money to customers without having to consult with their bosses. Tesco conveyed to its workers the idea of treating customers as they would like to be treated, which resulted in a big improvement and an increase in the company's share in the sector.

In summary, delegation is important because:

- it saves a lot of time for the person who delegates,
- it is a motivating factor for subordinates because they understand that they are being trusted and that their work is useful,
- those delegated have to take responsibility, so they acquire commitments that help them to share in the organization's objectives.

5) Create a good working environment

Most of us like to feel that we get along with the people around us, while others prefer to work alone most of the time. However, even those who prefer to work alone usually like to feel that when they are with others they fit in well. This feeling of being socially accepted has a significant influence on the quality of our work.

6) Personalized service and treatment

People are not resources, which are material (machines) and financial. People are served and cared for, so they cannot be squeezed. Another significant source of motivation is calling people by their name. It is worth managers making an effort (and it is an effort!) to memorize employees' names as the employees will feel much closer to them and believe they are members of the same team.

7) Creativity

Until recently, the belief was that workers should focus solely on production. However, the current trend emphasizes creativity. When a worker spends their entire day on repetitive tasks, it leaves no room for creative thinking. For example, a cabinetmaker or welder cannot perform at their best if they are limited to routine work. Such tasks can often be completed by others in the same field at a lower cost. In the USA, a significant portion of the workforce consists of knowledge workers—estimated at 40% at the start of the 20th century. These individuals drive innovation by creating new technologies and contributing fresh ideas.

8) Empowerment

Labor autonomy or empowerment, which only became fashionable fairly recently, had been put into practice by very few companies.

One pioneering company in this regard was 3M, which has much experience when it comes to quality. In the 1920s, an employee of 3M, Richard Drew, made a suggestion based on an idea of his: to make an adhesive paper that would improve the process involved in painting cars. His boss, William McKnight, did not trust the invention and suggested that Drew should abandon the idea. However, Drew persevered and invented the first adhesive tape in the Scotch range. This invention was hugely important for the company's development.

This experience caused a change of attitude at 3M that was led by McKnight himself. As well as sparking a revolution, it meant the beginning of a new policy aimed at giving autonomy and allowing people, an organization's main asset, to do things.

One of McKnight's first decisions was to enable all laboratory personnel to devote fifteen percent of their working day to conduct research into whatever they wanted.

In 1941 he declared that employees should be allowed to work their own way. He was aware that people would make mistakes but that these would not be as serious as those the management would make if they used dictatorial rules at work and did not listen to their employees.

Today, the managers of 3M, which is one of the most innovative American companies and a manufacturer of many products, use Richard Drew as an example to explain the culture of their company.

As we mentioned earlier, one of 3M's spectacular inventions in the 1980s were the Post-it notes invented by Art Fry during his fifteen percent autonomy time for innovation.

When William Coyne, vice president of R+D in the 1990s, joined the company he quickly realized he had entered an organization that expected something from him as a person.

In the ranking of companies, half of those that were among the ten largest in the world in the 1990s are no longer ranked so highly because they did not adapt to new market demands.

There is a lot of discussion about Japanese industrial culture. One key difference compared to European culture is that Japanese employees do not rely on companies to motivate them to find ways to improve their work. In our companies, however, the key is to “motivate employees to provide ideas”. To do this, employees must be made to see that their work is important to the company and that they perform a basic role in it. It is not enough to do the job well but it must be continuously improved. Each worker has an internal customer and is part of a chain at the end of which is the real customer – the king of the market, who demands the best service and the best quality.

9) Recognition

We all like to be recognized for our virtues. Recognition creates self-esteem and encourages workers not to betray the trust placed in them. Managers need to recognize their employees’ work, otherwise the employees may feel that their boss remembers them only when they are recriminating them or reprimanding them for their mistakes. Managers of people should know that a word of praise for a job well done is highly effective.

Some organizations are of the opinion that employees should not be praised or congratulated for a job well done. This is a grave error as nobody really doubts how important it is for people to have their work recognized. Recognition is one of the keys to staff motivation. This notion is often confused by the opinion that praising employees for a job well done leads them to make salary-related demands.

Doubts arise, however, about how and where workers should be congratulated for a job well done. Generally, since each situation and each individual requires a different treatment, it is believed that communication should not be ceremonious or formalistic and that workers should be congratulated in private with no audience present. Similarly, one should be neither too sparing nor too effusive in one’s praise. If workers are congratulated for trivial, unimportant matters, what will they need to be told for those that are important? On the other hand, if an employee believes their manager is sparing in their praise, the effect can also be negative.

Except in cases of repeated bad faith on the part of a worker, criticism should be voiced in a relaxed atmosphere and should be constructive rather than issued as a warning. It should be expressed at the right time and in the right place so that it does not later involve third parties or get manipulated by the recipient.

More problematic are sanctions. These sometimes cause controversy but this should not be the case. People management is sometimes confused with something as elementary as the order required by any organization and without which its course would be anarchic and lead to ruin. The flexibility that should prevail regarding compliance with rules and procedures, the treatment employees deserve as people, and the fair recognition of one’s work, etc., have nothing to do with applying sanctions when the situations demand them.

10) A pleasant welcome to the company. The company’s welcome plan.

A welcome plan is a series of actions organized by an institution or company to facilitate the integration of a new person into their work or academic environment. This plan is designed to enable newcomers to quickly adapt to the culture, values, norms and procedures of their new surroundings.

Common elements of a welcome plan are:

1. introduction of the new employee to their new environment and the organization's facilities and resources.
2. introduction of the new employee to the other members of the team (colleagues and superiors).
3. initial training in the use of tools, systems and procedures.
4. initial accompaniment by a mentor or supervisor to guide the new employee during the first days or weeks.
5. information about the organization's culture, rules, policies and mission.

This type of plan seeks to make the new employee feel welcome and become productive as quickly as possible.

11) Emotional stimuli

Imagination is free, so there are numerous possibilities in this area, including:

- putting the employee's name on a product in which they have been involved with maximum responsibility or creativity.
- pleasantly surprising employees on a constant or regular basis is key.

12) Security

Employees need to know whether they will be able to remain in their job in the future. Until recently providing this security was seen as a good thing, given the costs of redundancies and the fact that continuity is required for long-term plans. Nowadays, however, the notion that a stable employee may be a passive one and a serious obstacle to a company's dynamism is gaining track. Ideally, although there should be loyalty within a company, workers should also retain their dynamism.

13) Career

Workers need to feel they are evolving professionally, that they have a goal, and that every day they are moving a step closer to achieving it.

14) Promotion

Companies should always count on their own employees before beginning a process to hire people from outside. If the ideas in the above section on careers are applied and the company has taken care to train its workers, the person it is seeking to fill a vacancy or to work on new processes will probably already be in their employment. Organizations must therefore have an internal promotion policy to accompany its training policy.

15) Communication and feedback

Employees need to know what their bosses think of their work and to constantly receive communication about what is happening in the organization and what its strategies and future plans are. They need to know everything that is happening in the organization, whether good or bad.

Managers in some companies are reluctant to provide data that reveal that the organization is doing badly, in the belief that it is not good to create a climate of insecurity among workers. This is a mistake, like parents in a poor financial state deciding not to inform their children about it so that they do not suffer. Members of any organization, whether a company or a family, need to know what their situation is like at all times. And surely, if they are aware of a difficult situation, they will be more motivated to fight to improve it.

Sometimes managers lower their levels of communication with employees and communicate only with their immediate collaborators. However, managers should break away from closed circles and mix with other people because the personal contact will motivate them.

Motivated workers will integrate into the organization and support it. For this to happen, however, the workers must be permanently informed of the organization's plans and strategies.

Another way to motivate employees is to listen to them. Managers who pay sincere attention to their employees recognize that they, as well as their ideas and opinions, are important. It is stimulating for employees if their manager knows their name and looks at them while concentrating on listening to them. It is also important for managers to admit their own mistakes. This shows that they are human and that they make mistakes just like everyone else, which inspires confidence and motivates workers. Another positive action bosses can implement is to organize lunches or dinners with their work teams in a simple and relaxed atmosphere.

The director of TECNUN School of Engineering meets periodically in "coffee" sessions with various groups of employees, such as janitors, cleaning staff, and maintenance personnel. At these sessions, employees report their concerns and suggest ways to improve their services, while the School's managers inform them about aspects of the organization.

16) Feeling of belonging

Employees must know what the future of their company is and be constantly aware of important decisions that are made. When an innovative project or event affects employees in an organization, the information they are provided will make them feel part of that organization. Many employees do not know their company's mission because no transparent information has been forthcoming from the management.

Aware of how positive it can be for employee motivation, in the late 1990s the European Union made proposals to legalize workers' rights to information and consultation in EU countries. Employers are obliged to provide workers with information on the development of the company and its economic and financial situation. Similarly, via their representatives, workers must be made aware of the employment situation and how it is evolving in the organization. Trade Unions are responsible for establishing the mechanisms for informing and consulting workers in a company. There may be confidential information

that the workers' representatives cannot disclose, while the company may also exercise its right not to facilitate information whose confidentiality is needed in order to safeguard viability of the business.

The four pillars that make up an organization's total quality are the satisfaction of its customers, workers, shareholders, and social environment. The key to workers' motivation in an organization is that they feel that they belong, i.e., that working to achieve the organization's goals is what is best for them, and therefore assume those goals.

17) Incentivizing results rather than presence

As we mentioned earlier, vertical structures are not good. Among other reasons this is because it feels like managers are always watching over their employees. Monitoring people to work is not necessary: what is necessary is to monitor their results. The time workers spend in the company means nothing if that time is not used properly. Therefore, it is necessary to:

- focus on employees' results rather than on the time they spend in the company. In one company, for example, a maintenance worker who fulfilled their working day with great professionalism but never worked any overtime devised a way to clean an element of the machine without having to halt production.
- encourage creativity.

18) Equitable treatment

Workers should feel that they are treated and valued fairly. Equitable treatment is just and must be sought. People compare their contributions and rewards with those of others. Managers should remember that unfair treatment (with regard to salaries, recognition and concessions, etc.) can damage motivation.

19) Location and physical working conditions

A pleasant working environment is another important motivating factor. Employees highly value comfortable furniture, an ergonomic workplace, open spaces, rest areas, luminosity, air conditioning and the absence of noise. It is also necessary to ensure workers' health, which is why some of the above concepts are regulated by law.

Poor lighting fatigues workers' eyes, influences their nervous system, and can cause nervous imbalances and work accidents.

Noise must be analyzed from the perspective of frequency and intensity. It has a negative influence on workers' health because it causes fatigue and damages their auditory organ.

Atmospheric conditions such as temperature, humidity, ventilation, air composition and toxicity must be controlled.

Poor working conditions threaten workers' health and lead to a loss of human resources.

20) Promotion of activities by employees

Organizations should also give free rein to their employees' imagination and suggestions.

On 20 June 2004 the newspaper El País explained how Servired, a company that manages payment systems in Spain, celebrated its 25th anniversary with various activities planned

and organized by the workers themselves. The event, which lasted a whole day, had been in preparation for a year by 15 volunteer workers. An internal website was created where the company's workers could make suggestions about the event and work teams were created to take care of the logistics and organize sports and cultural activities. All year, employees participated in literary competitions, photograph exhibitions, and billiards, bowling, darts, futsal, table football, cards and paddle tennis contests. Among other outcomes, the event served for people from different departments to meet and communicate. On the day of the event, prizes were awarded and a play was performed by an assistant director and a group of employees.

21) Occupational health

Companies must be concerned to enable workers to return home every day in at least the same health as when they started work that day. There are still many companies where workers are not provided information on safety and hygiene when they are hired or when they change tasks. They may also have few training courses on these subjects. Safety risks can cause workers sometimes serious injuries, such as loss of an arm, loss of eyesight, burns and electric shocks. Hygiene risks (caused, for example, by fumes, toxicity, stress conditions or inadequate ventilation) lead, suddenly or cumulatively, to a worker's loss of health. Companies should integrate risk prevention strategies in their continuous training programs.

New information technologies are now using multimedia images, sounds and videos to facilitate training plans, thereby enabling workers to acquire preventive training on their job and associated risk factors.

22) New forms of work organization

Many other ways exist to motivate an organization's employees. The important thing is to study and implement different forms of work organization to enable employees to have true quality in their working life.

Job rotation

Job rotation introduces variety in work activities, which for most workers is undoubtedly more rewarding as it helps to decrease boredom. Workers are therefore more satisfied with what they do and feel more useful. In the workplace, routine is a clearly demotivating factor. Disadvantages of job rotation are higher costs and lower productivity since it requires multifunctionality, which costs money in terms of more training and less production when a worker becomes accustomed to a new activity. Moreover, adjusting to the incorporation of an inexperienced worker requires significant attention from other team members. As always, a balance must be sought. Although certain activities do not lend themselves to rotation, it has been shown that investment in job rotation is profitable in the medium to long term. As well as helping to motivate employees, job rotation is a requirement of the current management model based on the multifunctionality of people.

Team building with full work cycles

Several operations can be integrated into a natural work team that performs the complete work cycle. Workers are much more motivated if they feel a part of a group and their work is much more attractive because it has more content and meaning.

23) Flexibility of rules

This does not mean going from one extreme to the other, as we have become accustomed to doing in recent years regarding numerous concepts affecting society. However, companies clearly need to evolve by gradually removing rigid rules. The most important thing is that employees feel comfortable in their jobs, have autonomy, are able to make decisions, and so feel useful to the organization. Traditional barriers between bosses and subordinates should also be removed by creating a climate of trust from above that enables workers to have the confidence to go to their superiors whenever they need to.

Other rules, though essentially not as important as those above, should also be taken into account. These involve, for example, how to dress or how to behave in corridors. Such issues are not easy to address because there is sometimes a clash between the concept of individual freedom and the organization's interests and objectives. Some companies have rigid rules (such as forcing employees to wear a tie), while others have less rigid ones (some American companies, for example, allow their employees to dress casually on Fridays to enable them to go straight from work to their weekend home). Still others have no dress rules and allow their employees to dress as they like. It is difficult to reach agreement on this type of regulation: on one hand, maximum freedom helps reduce tension and boost employee productivity and morale; on the other hand, the company's interests require a certain image and a certain way of dealing with customers. What to do? As always, common sense and the middle ground should define this type of regulation. Extremes are not recommended.

23) Management attitude

It is essential that managers understand the concept of modern motivation. Productivity through obligation is out of place nowadays. Authoritarianism creates problems (such as poorer quality, lower production, sabotage, etc.) and excessive pressure from above stifles ideas and constructive criticism. Employees are motivated when their work affords them a high level of satisfaction.

The important thing is the manager's attitude. Managers do not motivate just because they are managers, while their subordinates' motivation will depend on the conditions they create or promote within the organization. If managers let people work, respect their employees' initiative and ideas, and encourage teamwork, they will create the right climate for employees to be motivated. The manager's mission is to encourage employees and ensure that this climate exists in the organization.

4.10. SELF-MOTIVATION

Motivation begins with oneself. Managers, directors and team leaders must motivate their workers but they must also be self-motivated, i.e., they also have their own degree of responsibility. How can this be achieved?

a) Everyone has to define their own course in their personal and professional lives and, therefore, also in their company. We must establish our objectives but in staggered fashion because these must be challenging and will be achieved in the long term.

b) Each year we need to consider that what happened in the past is no longer valid. The process is one of continuous personal improvement in which the acquisition of new knowledge is constant.

c) We must make our own work a process of continuous innovation by striving to optimize and improve it qualitatively.

d) We must constantly review our own strategic plan, analyze our strengths and weaknesses, and implement the necessary strategic actions for turning weaknesses into strengths.

4.11. LOYALTY TO THE COMPANY

Workers' loyalty to their company can be analyzed from two perspectives: just staying in the same company (i.e. not moving to another one), or remaining really loyal to the company by providing a service in return for remuneration. Not moving to another company is welcomed by an organization because it provides the continuity it needs to implement its plans. However, this refers to employees who perform well and move in the same direction as their company. On the other hand, employees who have the same routine year after year may become passive and be serious obstacles to achieving the dynamism their company needs. Lethargic employees who spend many years hibernating in a company are not loyal: if they do not leave, it is simply because they have nowhere else to go.

Loyalty is a very difficult issue. Employees can stay with a company and be efficient. They can remain loyal to their company as long as they consistently perform in alignment with the mission outlined in their employment contract, work with enthusiasm, strive to achieve the company's objectives, and show complete loyalty in their dealings with competitors. This is one thing but quite another is to expect efficient employees not to divert from this objective. Does the organization guarantee their employees a job for life? This was a key aspect of Japanese culture, for example. However, not long ago Toyota announced that it could no longer commit to guaranteeing such a commitment. Will Japanese employees remain confident that their bosses will repay their loyalty in difficult times?

At the end of the 20th century, General Motors, the American automobile giant, surprised the Trade Union with an offer to guarantee a lifetime employment contract to workers with more than ten years of seniority in the company as long as they accepted, in addition to other measures, geographical mobility between the various General Motors factories.

This decision, which is unusual in current times when employment for life in the same company is little more than a pipe dream, has been interpreted in different ways. While the promoters of the idea believed it was a unique offer, others did not see it in quite the same light, especially with regard to geographical mobility or the requirement to accept a different job. However, if we consider the greater flexibility when it comes to dismissals in American companies compared to European ones, the offer of employment for life, albeit conditional, was surprising and should be thought of as an attempt to achieve workers' integration into the company (specifically, of those who already possessed a certain degree of loyalty to it).

Ideally, all employees should display loyalty to their company and work efficiently. This requires that employees should be given security in exchange for their loyalty but this is a complex and difficult issue, if not an impossible one. What will employees think if they are dismissed after working efficiently for 20 years in an organization whose shares have been purchased by a multinational company? It is difficult for employees to feel motivated when

the very innovation to which they contribute through their work could be the cause of their future dismissal.

Some companies do demonstrate loyalty to their employees even in times of crisis. As A. Dale Timpe discusses in his book Staff Motivation, the American Delta Air Lines protected its employees during the oil crisis of 1973 when other companies were forced to reduce their number of flights and lay off some of their workers. When Delta Air Lines did not do the same, in the next decade its 7,000 workers thanked the company by buying it a Boeing aircraft, which they named "Spirit of Delta".

People are, undoubtedly and categorically, a company's key element – its most valuable asset. However, more and more is being demanded of them, including greater initiative, greater sacrifice, and stronger identification with the company's objectives. At the same time, continuous technological advances, with the consequential reduction in process times, reduce the need for personnel. If people are an organization's most valuable asset, why are they the asset that is most easily dispensed with?

In their book Competing for the Future, Gary Hamel and C.K. Prahalad recommend that managers reinvent sectors and regenerate strategies rather than apply process reengineering.

To sum up, the loyalty of lethargic employees is clearly not interesting for a company. The important thing is to keep employees dynamic and to make lethargic employees both conscious of their lack of commitment and aware that they will remain in the company only if they find their work challenging. And, of course, that they will be well paid for their endeavors.

Today's companies strive to attract and retain the best workers because they realize that such workers are a scarce commodity. Companies must therefore be attractive to good professionals if they hope to attract their services. To ensure that these workers do not leave, managers need to create the conditions that motivate them via innovative company projects that simultaneously enable those workers to become professionalized, carry out attractive and challenging activities, and achieve professional growth. Together with a good working environment, for a good professional this is often more important than remuneration. Until recently it was believed that the way to retain good workers was through concepts such as a company car, a variable remuneration system, and a pension plan. But these do not prevent the rotation of qualified personnel, who prefer parameters such as having a top-quality direct manager, participating in training programs, and improving their daily performance as both a professional and a person.

CASE STUDY: TOPAZ, AN ADJUSTMENT SPECIALIST

A tool factory has several production sections: forging, heat treatment, varnishing and finishing.

The forging and heat treatment sections are made up of specialized operators but the varnishing and finishing sections do not require specialization.

The company's policy for the varnishing section is to hire young workers aged 20 to 25. The work requires special coveralls, goggles and masks and working conditions are harsh because of odors and humidity. In this section, 12 employees work on each shift. Mr. Mendía, the head of this section on the night shift, is a good boss. There is a good working

atmosphere and the workers get along well. These young workers have improved the working method and, when they can speed up loading pieces to varnish the curtains, they talk about football, cider houses and excursions (with the consent of Mr. Mendía).

A new adjustment specialist named Antonio Topaz began work in this section. Although 35 years old and a specialist worker, Topaz joined the company in the varnishing section with the promise that he would later be assigned to a different section where more specialization is needed.

Topaz was respected by his colleagues and got along with them, participating in conversations, dinners outside the company, and the occasional excursion. His training and greater experience helped them a lot.

It was clear that Topaz had no opportunity for promotion in the varnishing section. After a year and a half, Mr. Mendía learned that there may be a job going in the press section (the personnel department had forgotten its promise to Topaz when he had started work in the company). Mendía, who liked Topaz a great deal, let him go there to work as a press operator. That section comprised 64 operators on each shift, each of whom had better qualifications, better working conditions and more chances of promotion than workers in the other section. Topaz had to work the morning shift. Each operator worked on their own machine and was unable to talk or relate to the others because they could not neglect "their" machine under the watchful eye of their line manager. Topaz worked well at first but two weeks later he asked if he could return to the varnishing section.

Two years later the company decided it wanted to increase production in the varnishing section. The work changed when an automated installation was installed. An operator's mission also changed: no longer was there any downtime between the loading and unloading of curtains and the continuous process demanded permanent attention. More people were hired and there were now 38 workers on each shift.

This section no longer holds informal meetings, and excursions and dinners in cider houses are decreasing. Production, however, has tripled compared to what was achieved with the previous facilities. After a 23-day strike, the workers persuaded management to agree to a 35-hour working week with the same salary as when they worked 40 hours. Topaz was one of the most active people in the strike. Questions:

1. Analyze the motivating and demotivating factors in the varnishing and press sections.
2. Analyze the strengths and weaknesses of implementing the continuous process.
3. What do you think of Topaz's conduct?

CASE STUDY: PROMOTION IN THE R+D DEPARTMENT OF MASTÍN, S.A.

Andrés Merino was the technical director of Mastín, a large company in the automotive auxiliary sector. The general manager of the company had personally hired Andrés because of his technical background and did not care too much about his attitude to human relations because of the activity of the department and the type of people who worked there, most of whom had higher degrees. Two departments, R+D and the Technical Office, were responsible to the technical director. The head of the R+D department was Maribel Morales, an industrial engineer.

After five years, Morales left the department when she was sent for internal promotion to another area. A month before changing departments, Maribel had recommended an employee to Andrés Merino whom she thought could succeed her in the R+D department. This department comprised 14 higher education graduates, one of whom was Carlos Flórez.

Flórez was a 45-year-old Industrial Organization engineer who had worked in that department for 15 years and had five years' previous experience as a technical designer for another company. He was efficient and, although this was a research department, was in favor of work by objectives. His salary was also the highest in the department. According to Maribel, Flórez was the person in the department with the best leadership skills and the one who best understood the importance of human relations at work.

Andrés Merino believed that Carlos Flórez, whom he saw as more of a manager, lacked the profile of a researcher and that another employee in the department, Benito Murcia, was a born researcher who should be responsible for the R+D department. A 35-year-old industrial mechanical engineer, Murcia had six years' experience in the company and had earlier worked for four years at a research center, where he had completed his doctoral thesis.

Murcia was methodical, orderly and tenacious. Almost every day he was the last person to leave. In Maribel's opinion, however, he lacked the profile to be head of department and did not have the leadership skills or the conditions needed to create a suitable working environment. Moreover, his introverted nature meant that he lacked the communication skills he needed to interact with his colleagues.

Andrés Merino informed the general manager of his decision to appoint Benito Murcia as Maribel's replacement. The general manager told Andrés that this decision could cause conflict within the department as it was obvious that Carlos Flórez would feel bad. Andrés told the general manager that he believed his proposal was the best decision and assumed full responsibility for it. Andrés communicated his decision to all staff in the R+D department via email. When Flórez received the message, he went to express his huge dissatisfaction to the general manager, who reiterated the importance of the research profile Andrés Merino was looking for in that position, told Flórez that the decision was irrevocable, and said he hoped he would cooperate as much as possible with Benito Murcia, his new boss. The next day, Flórez handed Andrés Merino a written request to move to another plant that was owned by the company in a different region. He was informed that the personnel department would wait for an opportunity to arise since at that time there was no opportunity to work at the group's other industrial plant.

Flórez continued to perform his duties. However, he was less enthusiastic than before, working satisfactorily but more slowly. He displayed a cold attitude towards Benito Murcia and no longer made suggestions as he had done when Maribel Morales was head of department.

At the end of the year, Benito Murcia decided not to raise Carlos Flórez's salary due to his lack of cooperation. Flórez criticized Benito for this action but said nothing more. The next year Flórez continued to work well but restricted himself to just doing his job. Although he met his obligations, his work was far removed from how he worked before the conflict.

The general manager, who knew what had occurred over the end-of-year salary increases and was aware of Carlos Flórez's attitude at work, called Benito Murcia and Andrés Merino to his office to express his dissatisfaction that an efficient employee such as Carlos Flórez was being lost.

Questions:

1. What do you think of the general manager's recruitment of Andrés Merino for the role of technical director?
2. Analyze Andrés Merino's decision-making when deciding to appoint Benito Murcia as head of the R+D department.
3. Do you think the process for informing the R+D department of Benito Murcia's appointment was adequate?
4. Could Carlos Flórez be motivated after receiving the email in which he was told that Benito Murcia would be appointed head of the department?
5. Analyze the general managers' intervention after he discovered Benito Murcia's and Andrés Merino's conduct towards Carlos Flórez.
6. What significant event occurred in the transition from Carlos Flórez's initial situation to his situation at the end?

CASE STUDY: THE LATHE SECTION OF ALCRA, S.A.

Work in the lathe section at Alcra S.A. was carried out in three shifts with two men in each. These six people received a fixed salary based on their employment contract and received an additional incentive based on productivity.

Juan Latorre and Pedro Fuertes worked on the first shift. Although all six workers did not all work at the same time, they had a close relationship because they were all born in the same town where the company was located and met up at weekends in one of the town's gastronomic societies.

A problem on site was that the chips from the turning operation clumped together over time and hindered their work, and the lathe required regular stops to remove the chips and clean the area of operation.

Raúl Cienfuegos, who was in charge of the lathe section, asked the Methods department to study the problem. This department assigned the study to Jaime Peñasal, a 24-year-old industrial engineer. Alcra was Peñasal's first job after completing his Higher Engineering studies.

Peñasal devoted himself to studying the problem in the lathe section with great energy but was unable to gain the trust of the operators, who considered him young and inexperienced and associated him with the management class. The operators did not give Peñasal any information.

While Peñasal was working on the problem, Pedro Fuertes found a solution that increased the performance of the operation by 30%. Fuertes reported the finding to his co-worker and the four operators on the other two shifts. They all decided not to say anything, even though an open suggestions program was available in the company,

because they were of the opinion that the reward for accepted suggestions was insufficient. They felt that what they could earn by continuing to receive incentive payments over a long period of time without being discovered was much higher.

The workers also thought that their improvement would create a new definition of standard times and productivity, and could lead to redundancies. So they decided not to say anything but to carry on working in calmly fashion, earning more money from productivity as well as a quality bonus for the fewer defects. Raúl Cienfuegos, head of the lathe section, learned of their improvement shortly after it was implemented but decided to allow his operators to handle the situation in their own way. He thought he could achieve higher productivity and, above all, higher quality. He also believed that the defect rate would improve substantially and that the men would remain happy.

Questions:

1. List the main problems detected in this case study.
2. Given the *fait accompli* described, how would you act if you were the company's production manager and discovered the real situation?