Sri Ram Pharmacy

K. U. Nayak is the Managing Director of Sri Ram Pharmacy, a medium-sized pharmaceutical firm in Mangalore. He holds a MS degree in Pharmacy. He has been managing the company since its inception in 1980. For more than two decades, the company has been doing reasonable well.

Recently, Mr. Nayak has noticed that the workers are not working to their full potential. They fill their days with unnecessary and unproductive activities and work only for the sake of wages. Since the last one year, the situation has become quite alarming, as the organization has begun to crumble under the weight of uneconomical effort. The situation demands prompt remedial measures to check the detrimental trend. Mr. Nayak understands that the only way to progress and prosperity is to motivate workers to peak their performance through various incentive plans.

Mr. Nayak asked the HR Manger what the problem with the workers was. "We pay the highest in the industry. Our working conditions are excellent. Our fringe benefits are the best in the industry. Still the workers are not motivated. Find out what the workers really want. Unless productivity increases we are doomed".

The HR Manager made a detailed investigation and concluded that the wages, fringe benefits and working conditions were not enough. Besides this there were other important factors. "I have found out from the workers that work and efficiency go unnoticed and unrewarded in the company. The promotions and benefits plans are tied to the length of service. Even unproductive workers enjoy all the benefits in the organization, which in fact, according to the workers, should go only to those who work hard. As a result more and more workers are joining the bandwagon of the non-performers. This has become quite alarming as workers refuse to perform".

Questions:
1. Explain the motivational problem in this case by relating it to Herzberg's theory.
2. Analyse the problem in depth and find a solution.
3. If you were the HR Manager how would you motivate the employees to work better?