Employee Satisfaction: An Outcome of Motivated Workforce

This case was written by M. Aarthy and B. Madhubala, under the direction of C. Sridevi, IBS Center for Management Research. It was compiled from published sources, and is intended to be used as a basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.
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CASELET 1

Smile Hotels Group is a leading hotel group in India. It has about 40 hotels in various cities across India and 25 in overseas locations. The group emphasizes employee training and development, and customer service. But the CEO of the group, Hari Prasad Thakur (Thakur), observed that the customer growth rate of the group’s hotels had not been quite good for the last three years. He approached a consultancy and asked it to conduct a customer survey to find out their opinion about the hotel’s customer service. The survey revealed customer satisfaction to be average. It was almost equal to the rating given to some of the new hotels in the industry. Thakur was shocked to see the results of the survey and called all the senior managers in the company for a meeting.

Addressing them, he began, “Good morning, Ladies and Gentlemen! As you all know, I had recently hired a consultancy to conduct a customer survey for us. I have the results here with me. It is with great disappointment that I have to inform you all that our group of hotels have rated very low on customer satisfaction. I had never imagined that our customers have such a poor opinion about us. You can see that we are rated at par with some not-so-known hotels.”

On hearing this, most of the managers were shocked. Some of them expressed their disbelief saying, “Oh! We can’t believe this.”

After giving them sufficient time to digest this unpleasant news, Thakur continued, “I had gone in for the survey because customer growth rate has been declining considerably for the last three years. What do you think we can do to satisfy and retain customers?”

The managers suggested various plans to attract and retain customers. The marketing manager of the company, Milind Patil (Patil), said, “It might be a good idea to offer our loyal customers free holiday trips, discounts in holiday packages, discounts in room rent, coupons and lucky draws.”

The associate marketing manager (corporate sector), Hitesh Chaudhary (Chaudhary), added, “We can increase our number of corporate clientele by providing them extra facilities. This, I am sure, will help us attract more executives to stay with us.”

However, Thakur was not convinced. When both, Patil and Chaudhary, were trying to convince Thakur, the HR manager, Soma Roy (Roy), interrupted them saying, “I am sorry to interrupt you but what I wish to point out to you all, in case you have missed the fact, is that these techniques will work only for a short period of time. If we are looking for a permanent solution, I suggest we should focus on our customer service aspect which is
crucial for our business. Our employees are trained to deliver good quality service to our customers. But, I believe that we have to motivate them to serve customers still better. Only by doing this will we be able to improve our customer satisfaction level.”

On hearing this, the operations manager responded, “What else do we have to give to our employees? Our employees already get the best salaries in the industry.”

Roy replied, “Salary alone won’t do. Why can’t we begin an employee recognition program? We will reward employees who offer superior customer service. It would motivate our employees to serve the customers better. Improved service will fetch us more customers.”

Thakur appreciated Roy for his suggestion and said, “That seems to be a good idea. We will implement it. Can you tell us how we should go about it?”

Roy replied, “We will categorize high performers into three categories – good performers, very good performers, and excellent performers. The performance can be measured in terms of integrity, honesty, kindness, respect for customers, environmental awareness, teamwork, coordination, cooperation and trustworthiness.”

Thakur then asked, “What type of rewards would you suggest should be given to each of these categories of high performers?”

Roy replied, “For good performers we may give special two-star badges which they can pin to their coat. For very good performers we can give three-star badges and cash rewards, and excellent performers can be given five-star badges. They can be felicitated in the anniversary celebration function of the group and may be given good ranking that would get them faster promotions.” Suggestions from other managers were also invited and the recognition program was launched.

QUESTIONS FOR DISCUSSION:

1. The salaries of employees of Smile Hotels Group were the best in the industry. Do you think the recognition program was needed to motivate employees? The CEO didn’t accept the suggestions offered by the marketing managers to attract more customers but accepted the suggestion given by the HR manager. Why do you think he liked the HR manager’s suggestion? Substantiate your answer.

2. What more do you suggest can be done by Smile Hotels Group to motivate the employees and improve customer service?

CASELET 2

Situation A

John Morgeld (Morgeld) received an appointment letter from Akay Enterprises (Akay). It was his first job and he would be joining the company as an executive trainee (production). He had got offers from two other companies but he selected Akay because the company promised a cooperative and supportive work environment for newcomers, an informal organizational culture and excellent growth opportunities for employees who stayed with the company.
On the day of joining, he wore an executive dress, tie and shoes and went to the office. The receptionist looked at him and asked him whether he was a marketing executive from any company. When Morgeld answered in the negative and introduced himself as a new employee, the receptionist wished him and began to attend her calls. Morgeld did not know whether he should go inside the office or wait in the reception till he was called in. He chose the second option and waited. He waited for two hours and nothing happened. So, he got up and asked the receptionist what he was supposed to do. The receptionist asked him to go inside.

Morgeld entered into a large hall having several cabins. He did not know, of all the square cabins, which one he should go to. Randomly, he chose one and introduced himself to the occupant. The occupant looked at Morgeld and began to laugh. After laughing for two minutes, he told Morgeld that all employees come in casuals to office and Morgeld looked like the CEO of the company in that suit. He advised Morgeld to come in casuals. But he didn’t seem to know whom Morgeld should approach and asked him to ask the person in the cabin next to his. When Morgeld knocked on the next cabin, the person inside asked him to go inside the big cabin at the far end of the hall where the general manager (GM) of the company sat. Morgeld went to the GM and introduced himself. The GM looked irritated on being disturbed by Morgeld. When Morgeld stated his reason for being there, the GM directed Morgeld to approach the production manager, Shashank Ray (Ray). When Morgeld went to meet Ray whose office was on another floor of the same building, Ray’s secretary took the appointment letter from him and told him that Ray was busy in a meeting with some important guest. The secretary asked him to sit in the reception till he was called. After two hours, Morgeld was called in. Ray saw Morgeld and he also laughed for a few minutes and told him to come to office dressed in casuals.

Ray told Morgeld he had another urgent appointment and asked him to sit with his colleague Dheeraj Patel (Patel) who would instruct him regarding the work he would have to do. Patel’s appraisal was done recently and he was given grade ‘D.’ He was not given any increment. Patel told all the possible negative points about the workplace to Morgeld and asked him to leave the place as quickly as possible to have a better career. Patel also warned him not to be seen interacting with other employees during office hours as it was unwritten rule that no employee should be caught socializing during office hours. Patel then told Morgeld that he had some urgent work and left. It was one o’clock and no one seemed to leave for lunch. Morgeld waited and waited. Then at three o’clock, the office boy came with tea. When Morgeld asked him where he should go to have his lunch, the office boy told him that lunch was available in the office canteen between 12 to 2.30 pm and at three o’clock in the afternoon, he cannot expect to get anything but coffee and tea in the canteen. On the very first day of his joining the new office, Morgeld returned home hungry and sad.

**Situation B**

Morgeld had completed two years of working at Akay. He was always constantly instructed and closely monitored by his team leader, Sadgun Chari (Chari). Morgeld was never allowed to take any decision on his own. After two years, for the first time, he was given a very important task by Chari. Chari told Morgeld that he would not be able to guide him because he had several other projects on hand. Morgeld felt very happy. But Chari told him, “If you can do this task, you can be sure of a promotion this year, but if you can’t, I can’t even assure you of your job.” Hearing this, Morgeld felt highly
pressurized. He was suddenly given a very important task and Chari was not ready to offer help. He prayed to God and began to work on it. He put his heart and soul in it. He worked 14 hours a day. Sometimes he spent sleepless nights. However, he finished the task successfully on time. He went to office and found that Chari was on leave. He remembered what Chari had said when he had handed him the project. Chari had cautioned Morgeld that if he couldn’t finish the project by the due date, it would put their boss, Ray, in a difficult position since he was answerable to the head office. Therefore, Morgeld went to Ray’s cabin since Chari was on leave. Ray looked at him with a puzzled look on his face. Morgeld drew his own interpretation of the expression on Ray’s face and thought inwardly, “I guess he is thinking – Why did he come directly to my cabin?” Ray asked Morgeld “Where is Chari?” Morgeld replied, “He is on leave, Sir. Hence I came to submit this file to you. Chari told me that it is urgent.” Ray looked at the file and told Morgeld, “You keep it with you. After Chari comes, he will have a look at it and then forward it to me.” Morgeld said, “But, Sir, it is urgent, I believe.” Ray got irritated and said, “I know that. You take this file back and start with the next task which is more urgent, OK?” Morgeld came out of Ray’s cabin in no mood to take up the next task.

QUESTIONs FOR DISCUSSION:

1. “The first impression is the best impression,” What kind of impression did Morgeld get about his organization? Would this be good for the company?

2. In Situation A and B, Morgeld was demotivated in many ways. Comment on the urgency of the task given to Morgeld and the way he was treated upon completion of the task. What was the impact of the work environment on his morale?

CASELET 3

When Manisha Sharma’s (Manisha) uncle, Hariprakash Sharma (Hariprakash), visited her at work in Modern Technologies (Modern), he was pleasantly surprised and amazed to see his niece working leisurely under a tree in the company’s sprawling garden. Later, over a cup of coffee in the company cafeteria, Hariprakash asked Manisha how the company allowed its employees to be away from their desks. “Doesn’t this affect employee productivity?” he asked. Smiling at her uncle’s amazement, Manisha explained, “My company believes in providing its employees with the flexibility of working in an ideal environment rather than imposing restrictions upon them regarding the place of work. The company’s effort towards creating a relaxed work environment has helped it in more than one way. It has resulted in developing a motivated and highly productive workforce. In fact the company is rated among the top three companies in the country for the fifth consecutive year, with regard to work culture and quality of work life.”

Manisha went on to elaborate, “In fact, like Modern, there are many other companies that also believe in providing their employees with an ideal work environment. These efforts are made to help employees cope with the stress associated with working on time-bound projects. Modern aims at creating a stress-free work environment. It does this by providing its employees with natural surroundings in which to work and with facilities such as a hygienically maintained cafeteria, a well-equipped gymnasium, tennis grounds, and a golf course.”
Hariprakash listened to Manisha keenly. As they walked past the golf course, Hariprakash wondered aloud whether such strategies really worked. Manisha clarified his doubt stating that Modern was among the very few companies that had performed well during the last few years despite the economic recession.

The conversation between Manisha and Hariprakash revealed that Modern implemented many such strategies to nurture a motivated workforce.

It offered facilities like telecommuting, flextime, and a holiday on completion of every six-week project schedule. All these were a part of the company’s HR policy. Besides, the company provided excellent growth opportunities for exceptional performers. It had exclusive employee development plans that helped its members progress through the career ladder. In addition to all this, the high salary structure in the organization enhanced employee loyalty and motivated them to attain organizational goals. The enhanced commitment and loyalty towards the organization resulted in bringing down the attrition rate to a considerable extent.

Hariprakash could now comprehend how the company benefited from its various strategies to provide its employees with a congenial work environment. “These efforts of Modern to provide a people-friendly work environment,” agreed Hariprakash, “helped retain the invaluable assets of the company – the people.”

QUESTIONS FOR DISCUSSION:

1. “The modern corporate world has redefined the rules of work efficiency and aims at employee wellness, in order to obtain maximum productivity from its employees.” In the context of the present case, discuss the various measures taken by organizations to enhance employee productivity by catering to employee wellness.

2. Organizations have introduced alternative work schedules to help their employees tackle work-related stress, thereby increasing their productivity. Describe the various alternative work schedules that help increase employee productivity.