

# The problem of declining employee morale

[Business](#), [Management](#)



The main problem in the case is that the standards began to decline at Howe 2 Skii Stores due to late orders. Howe had to pay for the late orders and the costs were high. The other notable problem is that employee morale was slowly beginning to decline due to disgruntlements over the changes in their working conditions. The problem of declining employee morale was exacerbated by the merit performance system that was introduced by Howe in a bid to curb the problems currently bedeviling employee morale. For instance, the molders felt that the store managers were not taking enough time to observe them hence the merit system was inaccurate. This led to increased employee dissatisfaction which led to a decline in customer satisfaction as well. This negatively impacted the operations of the company since its service and quality began to slump. It can be observed that the company took the wrong reward system to motivate the employees to improve their productivity which led to a decline in employee morale. 2. Depending on the situation, it may be wise to implement pay-for-performance plans such as bonuses or commissions. These are ideal since they are intended to reward as well as to motivate an employee for outstanding performance in his or her work. This is offered after the performance of a certain task. A bonus is ideal since it is offered to deserving individuals after displaying outstanding performance. There is no favour when a person is awarded a bonus. The major strength of bonuses and commissions is that they are meant to motivate the employees for their hard work. However, a merit system can be a source of conflict in the workplace if it is implemented in order to motivate the employees. This strategy may be inaccurate since it is based on subjective judgement by the individual

responsible for observing the employees while they are performing different tasks. This system may be characterised by an element of favouritism. 3. I would consider implementing organization-wide plans such as gain sharing, profit sharing, or ESOPs. The main advantage of this strategy is the gains that are realised by the company such as profits can be collectively shared among all the employees. If the employees in the organization are treated as homogenous, they can develop a sense of belonging to it and they can also identify with it. This helps them to put collective action towards the attainment of the desired goals in the organization which can also help to improve their productivity. Collective identity in the organization is advantageous since it helps the employees to put optimum effort in their performance for the benefit of the organization as a whole. 4. I would consider other plans such as non traditional incentive based strategies in the organization. People are motivated by different factors other than financial gains in the organization. Instead of hiring employees to join the company on a short basis, I would put measures that are meant to ensure that employees who display outstanding performance should get recognition through promotion to higher positions in the organization. If a person is promoted to a higher position such as manager, he is likely to be motivated since his status would have been elevated. Most people are motivated by the status they have in their respective societies. I may also decide to delegate some responsibility to some employees so that they can solve the problems they may encounter on their own. If people have this sort of responsibility, they feel as important to the organization and they can put optimum performance in their operations which can significantly help the overall performance of

the organization. Elements such as status in the organization are very important since they help the employees to put more effort in their work since they would be treated as special. 5. In this case, the final solution is to make sure that employee motivation strategies used by the company are objective rather than subjective. For instance, I can use a performance appraisal strategy so as to be in a position to identify the people who truly deserve to gain recognition in the company. This strategy can be carried over time and I believe it is fair since each individual will be aware of what will be happening in the company. Apart from financial benefits as a way of motivating the employees, I would offer other nonfinancial incentives such as promotion since these can appeal to the interests of the employee to put more effort in their performance.