Case Study Analysis Milestone 1

Engstrom Auto Mirror Plant: Motivating in Good Times and Bad

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Case Study Analysis Milestone 1: Introduction

Engstrom Auto Mirror Plant is a business that is privately owned and located in Richmond, Indiana. They manufacture mirrors for cars and trucks and employ more than 200 employees. The employee's morale and motivation have decreased considerably at the plant. The contribution to this is due to an industry downturn which created layoffs, placed bonus plans on hold and little employee trust in management (Beer, 2008). Which is causing low productivity at the plant from the employees, which in turn could cause the company to close its doors.

Engstrom has some organizational issues that need to be addressed; one is making employees feel like their opinions and suggestions matter, by taking employees concerns seriously. Rebuilding the trust between the employees and management to bring up moral. Finally modifying the Scanlon bonus plan that has worked in the past but might need some modification to adapt to the current business needs. These are three issues that should be addressed quickly to prevent the closure of the company.

Employees like to be considered part of the team. So, when management is ignoring their suggestions or concerns, it makes employees not want to be productive. It can be very harmful to the success of the company if employees don't work hard. Employees also want to feel that they can trust their management team. So, when the actions of management are different than their communication with the employees, then a credibility gap exist (Newstrom, 2015).

The final issue that needs to be addressed is restructuring of the Scanlon Bonus Plan, which was effective previously but management has seen an increase of abhorrence and cynicism in the plan. For any plan to work and be effective, the employees need to have confidence not only in the plan put in place, but also the people that have proposed it.

References

Beer, Michael, and Elizabeth Collins. ["Engstrom Auto Mirror Plant: Motivating in Good Times and Bad."](http://hbr.org/product/Engstrom-Auto-Mirror-Plan/an/082175-PDF-ENG) Harvard Business School Brief Case 082-175, April 2008

Newstrom, J. W. (2015). Organizational Behavior: Human Behavior at Work (14th ed.). New York, NY: McGraw-Hill Education.