

Peer Response 1

1. I believe the motivation theory that best describes Charlotte's demands is the expectancy theory. Charlotte's long track record of sustained performance is what made her appealing to King Conductors. Due to her sustained performance, and desire to move to the United States, she knew that her track record as the top salesperson would afford her the opportunity to receive some very deserved rewards. Her motivation to receive these desired rewards paid off by the company offering her a higher than usual wage and straight commission which was actually an arrangement made by her previous employer. Also, due to the fact she was not accustomed to driving on the right side of the road, the company provided her with a driver. Charlotte's confidence in her ability to perform tasks produced the desired rewards.

As far as the company, King Conductors, there is an obvious case of equity theory happening there. After the hiring of Charlotte, employees did not feel her rewards were equal to what others received for similar contributions. They did not feel they were treated fairly, therefore, they were not highly motivated. Employees even went as far as to give her nicknames such as "Queen Charlotte". However, from Charlotte's standpoint, she felt her input was not matching her rewards. Charlotte felt her contributions warranted better pay, that is why she asked Doris for a raise in her commission.

2. I think it is a double-edged sword when dealing with whether to give into Charlotte's demand for higher commission. On one hand, if you continue to increase her commission, you will be appeasing her, but further driving the wedge between the employees, thus increasing animosity. On the other hand, if you decide not to give in to her demands, you risk losing her. After all that has already been given up to attain her services, it may feel like a lot of lost time and money to the company. Personally I don't feel any one person is larger than the organization, so I would have to deny her request at this time. I make this decision based on the huge amount of concessions given to acquire, or lure, her from her old company coupled with the fact she has only worked for the company for a year. Understandably she has increased sales, perhaps a lot, but I feel she needs to prove herself more to our company and show some loyalty before we decide to give her more money.

3. In order for Doris to deal with the employee morale she is going to have to find a way to convince the people of the company that all the concessions, the hiring, then commissions, the driver etc... are worth it. One way I feel she could spin this in a positive light is to explain how the increased revenue from Charlotte's sales opens more opportunities for the company to grow and offer additional opportunities to the employees. Also, to get back to equity theory, Doris can explain that everyone has opportunities to increase their sales numbers and make a bigger impact for the company. Higher work performance is rewarded as evident by Charlotte's package. A mistake would be to compare any single person's performance to that of Charlotte, but describing and explaining how top notch performance yields high rewards, could be a good way to get some buy-in from the employees and increase performance.

Peer Response 2

1. The equity theory can explain the demands of both Charlotte and the other employees. According to this theory, “people are motivated to seek social equity in the rewards they receive for performance” (Daft 242). In other words, people want the rewards to be fair based upon inputs and outputs. In the eyes of Charlotte, she deserved more money because she was putting in a lot of work and is a more significant player in the global market for a specific job. However, since she was still new to the company, the existing employees believed that the pay raise would be unfair. There would be inequity for a newer employee to receive a more substantial income despite a smaller input of company experience.

2. There are a couple options to handle Charlotte’s demands for a higher commission on sales. The first option would be to allow for a higher percentage of commission but maintain no formal salary. A second option would be to negotiate future increases to her pay based on the time with the company. A third option would be to keep her pay the same but allow for quarterly bonuses based on the number of sales. Based on the options, I would go with the third one. While it does not increase her pay directly, it would allow for her to increase the amount of money she brings in and could be an incentive to make even more sales. On the other end, it could help with the other employees, because her salary would not be increasing unproportionally.

3. A Possible solution to deal with employee morale would be to bring out the carrot and stick method. While in the last question, I suggested that instead of a larger pay, give her quarterly bonus incentives; this could be applied to the other salesmen. Although it could be costly, it would allow for a sense of social equity as each person's bonus would be directly related to their input, including Charlotte’s. Other than increasing moral, bringing forth this reward system could motivate the existing employee’s to secure more sales and profits for the company.