

# DIAMOND INTERNATIONAL case study solution



**Brand:** Mehta Solutions

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## Short Description

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Read the following case carefully and answer the questions at the end. In 1981 the 325 employees who manufactured paper egg cartons at Diamond International plant in Palmer, Massachusetts, faced an uncertain future. Styrofoam containers were creating stiff competition, the recession was affecting profits adversely, and workers were worried about being laid off. Labour-management relations were strained at best. Over 65 per cent of the plant's workforce felt that management did not treat them with respect, 56 per cent approached their work pessimistically, and 79 per cent thought they were not being rewarded for a job well done.

Then the personnel director of the Diamond plant devised a system of productivity incentives called the "100 Club". It is disarmingly simple. Employees are allocated points in recognition of above-average performance, Any employee who works a full year without having an industrial accident is awarded 20 points; 100 per cent attendance is worth 25 points. Every year on February 2 (the anniversary of the programme's launching date), points are tallied and a record is sent to the individual's

home. Upon reaching 100 points, the worker gets a light blue nylon jacket emblazoned with the company logo and patch signifying membership in the "100 Club". Every one of the plant's employees has now earned a jacket. Those who accumulate more than 100 points can receive additional gifts. With 500 points, employees can choose from such items as a blender, cooking accessories, a wall clock, or a cribbage board. Diamond's

management is quick to point out that none of the prizes is beyond the purchasing power of the workers; the real value is this : It's a sign of appreciation from the company. "For too long, the people who have got the majority of attention have been those who cause problems," says Diamond's personnel director "(Our) programme's primary focus is the recognition of good employees."

## **QUESTIONS**

**1. Do you think recognition alone is enough to motivate employees, or**

**Does it always have to be tied to pay?**

**2. How might Diamond's recognition programme affect errors, grievances, and time lost due to absence?**

**3. Can such a programmed be sustained over time? If so, how?**

**4. Discuss the relevance of the example in the case to Indian situation.**

**Also mention at least one instance where an Indian organization has**

**Tried some creative/innovative/ unique way of recognizing its**

**employees and with what effect. ?**

## **Details**

**1. Case study solved answers**

**2. pdf/word in 24-48 hrs**

**3. Fully Solved with answers**