**Introduction**

Anvil Cloud is an SME tech company which is experiencing staff retention issues. They are looking to expand from 70 to 80 staff in the coming year. They need to identify what the issues are that are causing staff to leave as it is a highly competitive market and finding highly qualified staff is not easy. Furthermore, replacing such staff is time consuming and expensive. Staff motivation is therefore critical to address this problem.

**The importance of motivation**

Motivation is about the ways a business can encourage staff to give their best. Motivated staff care

* Increased output caused by extra effort from workers.
* Improved quality as staff take a greater pride in their work.
* A higher level of staff retention. Workers are keen to stay with the firm and also reluctant to take unnecessary days off work.

AC workers often work remotely and this may be one cause of motivation issues. They may feel that they are not part of a team and social interaction and good work relationships may suffer. In his 2 Factor theory, Herzberg stated that the Hygiene factors are essential to keep staff. These factors include Supervision, Working Conditions, Relationship with peers, Pay, Security and Company Policy.

A number of these factors seem to be an issue for AC. Herzberg also stated that if the Hygiene or Maintenance factors were not met they could result in demotivation.

**Factors that might be an issue for Anvil Cloud**

Now discuss the factors that could be an issue for Anvil Cloud. Support each point with other theorists or business knowledge eg Mayo Hawthorne effect and Maslow Hierarchy of needs.

**A proposal for change**

Then, make a proposal for exactly what action you think Anvil Cloud should take/ideas to be implemented to improve their staff retention issue

Finally, justify your proposal.

Managers can influence employee motivation in a variety of ways:

**Monetary factors**: some staff work harder if offered **higher pay**.

**Non monetary factors**: other staff respond to incentives that have nothing to do with pay, eg **improved working conditions** or the chance to win **promotion**.