

CARROT OR STICK? GETTING PAID FOR INNOVATION AT TESSERA TECHNOLOGIES

INTRODUCTION

In the case study <u>Carrot or Stick? Getting Paid for</u>
<u>Innovation at Tessera Technologies</u>, the attention is paid to the organisation's motivation for employees for innovations. An organizational design challenge that was presented to Tessera Technologies was how to align the carrot and stick mechanisms to encourage desirable behavior with innovation at that company.

THE INNOVATION DILEMMA

The case discusses about Tessera Technologies, a firm dealing in semiconductor packaging technology and the issue that was being faced by the company was how to get engineers to innovate. The main problem was what type of compensation model was best suited to this new unit and how it could encourage innovative thinking without compromising organisational objectives.

IMPLEMENTATION CHALLENGES

It is thus evident that there are certain aspects that need to be put into consideration when implementing an incentive system. An important issue in designing the incentive system at Tessera Technologies was to gain the right balance between the encouragements and the discouragements; on the one hand the incentive system could encourage negative behaviours and innovation could be suppressed.

CONCLUSION

The case study also suggests that the current understanding of organizations lack best-practice models that would allow for motivating innovation at work. Analyzing these issues, one can realize that companies need to modify their approaches based on their contexts and conditions. This experience of Tessera brings valuable lesson for other organizations that are in pursuit of maintaining the right level of encouragement and pressure for true innovation.

RECOMMENDATION

This is just a sample partial case solution. Please place the order on the website to order your own originally done case solution.

Resource: Visit <u>thecasesolutions.com</u> for detailed analysis and more case studies