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Group Case Study – *Analysing Velocity Inc.'s Challenges*

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Introduction

Velocity Inc., a worldwide leader in cloud computing and e-commerce, faces several workforce and management challenges rooted in its rapid expansion and fragmented organisational structure. Despite well-intentioned policies like wellness and development programs, office and production personnel were disengaged, burned out, and demotivated due to perceived unfairness, leadership gaps, and problems in communication. This case study identifies the actual structural and cultural causes of these issues and applies key organisational behaviour theories to propose workable strategies that may balance operational excellence with employee well-being and inclusion.

Root Causes of Velocity's Workforce and Management Challenges

Velocity's quick growth has brought about exciting opportunities, but it has also revealed flaws in the way the business treats and supports its staff. Everyday workplace experiences show a striking disparity between intention and reality, even though the company bills itself as innovative and employee-focused. According to the internal assessment, many employees still felt overworked and unsupported even after wellness initiatives and development policies were implemented. This implies that expansion outpaced the systems needed to maintain a positive organizational culture (Armstrong and Taylor, 2020).

Office and warehouse settings differ significantly from one another. Although Velocity encourages diversity, office workers enjoy more comfortable workspaces, while frontline staff deal with more physical demands and fewer resources. According to the audit, the company "disproportionately benefits office staff," which causes operational workers to be dissatisfied, low on morale, and less loyal. According to Cropanzano, Bowen, and Gilliland (2007), motivation and engagement are two crucial elements of organisational justice that are weakened by perceived unfairness.

These difficulties are exacerbated by problems with leadership and communication. Because of ambiguous duties and top-down decisions that undermine autonomy and trust, middle managers find it difficult to support their teams (Bratton and Gold, 2017). Employees naturally grow unsure when leaders are unclear about their responsibilities, and communication suffers as people worry that voicing concerns will have unfavourable effects (Robbins and Judge, 2019).

Additional pressure is added by Velocity's performance review system. Despite being intended to promote expansion, it has unintentionally promoted rivalry instead of cooperation. It has increased personal stress rather than fostering real growth and mentoring. This is consistent with Herzberg's theory of motivation, which contends that meaningful support, growth, and recognition, rather than pressure-driven evaluations are the sources of employee satisfaction (Herzberg, Mausner, and Snyderman, 1959).

Issues with inclusion also affect remote workers and new hires. Many people feel alone and disengaged from the objectives of the organisation when there is no regular interaction or effective mentoring. According to Edmondson (2018) and Noe et al. (2023), this emphasises the growing significance of psychological safety and belonging in hybrid work environments.

Lastly, the organisation has become distrustful due to ethical oversight and communication breakdowns. There is a "culture of silence" as a result of employees perceiving differences between the company's declared values and actual behaviours. Rebuilding trust and making sure Velocity's culture genuinely reflects its people-centered goals require addressing these issues through open communication, equitable practices, and improved leadership alignment (Kreitner and Kinicki, 2013).

Theoretical Frameworks for Velocity Inc.'s Challenges

It is clear that the challenges at Velocity Inc. should be examined through theoretical frameworks in human resource management and organisational behaviour. Employee motivation is the key to achieve high productivity and performance. Early theorists, such as F.W. Taylor, emphasised that economic incentives are essential for employee motivation (Mullins and Rees, 2023). Later motivation theories like Maslow's Hierarchy of Needs (1943) and Herzberg's Two-Factor Theory (1959) highlight how a variety of needs change organisational outcomes. Self-Determination Theory (Deci and Ryan, 1985) further identifies autonomy, competence, and relatedness as the main idea of intrinsic motivation.

Addressing motivation effectively requires balancing with both intrinsic and extrinsic factors. According to Blanchard (2011), eight central needs strengthen motivation, and Velocity Inc. fails to address these needs properly. Warehouse operatives state the lack of fairness and recognition, feeling underrated compared to office staff. Middle managers experience lack of guidance from leaders, alongside limited autonomy and lack of coordination which weaken their ability to support teams.

Maslow's Hierarchy of Needs (1943) highlights the importance of satisfying physiological needs, safety, belonging, esteem, and self-actualisation. Unequal approaches to managing HR reflect unfulfilled needs: while office staff have the advantage of career progress and recognition (esteem and self-actualisation), frontline workers often experience the shortage of safety measures, fair compensation, and growth opportunities. It means that hygiene factors, such as work conditions and job security are not satisfied and unmet motivators, like recognition and autonomy, which reflect a lack of satisfaction. The absence of career opportunities for hybrid employees and warehouse operatives indicates a failure in tackling motivation's issue, while the "always-on" culture and pressure to meet productive expectations means that hygiene factors are addressed poorly.

Self-Determination Theory (Deci and Ryan, 1985) highlights the need for autonomy, competence, and relatedness. Velocity Inc. fails to satisfy these demands: frontline workers face strict quotas and limited autonomy, while hybrid

employees do not receive enough support, which makes them feel less important. Having 'two Velocity' weakens collaboration and communication among employees, as warehouse operatives feel disconnected from corporate standards and morale.

Initiatives for Improving Motivation, Communication, Leadership, and Diversity

The issues that lie beneath Velocity's poor performance, such as weak leadership, poor communication across teams, and low motivation, need a strategic and joined-up approach to strengthen diversity and inclusion. Targeted initiatives will be required to enhance motivation, improve communication, develop leadership capability, and build an inclusive culture that connects people right through the business.

Motivation: Velocity can build stronger intrinsic motivation by creating an environment based on respect, recognition, and balance, as derived from Maslow's Hierarchy of Needs (1943) and Herzberg's Two-Factor Theory (1959). The introduction of "reset weeks" following periods of high activity might curtail stress and prevent burnout. Also, fostering collaboration across departments, standardization of management, and expansion of wellness programs will promote morale. Trust and a sense of psychological safety can be deepened by regular quarterly sessions to review workload, fairness, and well-being, followed by visible, practical actions (Deci & Ryan, 1985).

Communication: As Mullins and Rees (2023) note, poor communication is often associated with disengagement and lower motivation. In these regards, briefing materials should be provided to the managers in advance of major announcements; senior leaders could run monthly open Q&A sessions to ensure transparency and messaging consistency. A locally resourced communication coordinator will ensure feedback goes both ways. Regular updates catered toward warehouse teams and regional offices would mean that everyone is regularly

informed and engaged. Cross-site workshops will give office and warehouse teams more opportunities for understanding each other's daily challenges, thereby facilitating better cross-site relationships. Communication processes should, therefore, be formalized, integrated with AI-enabled tools, and flexible in providing options for work. Finally, matching remote employees with experienced mentors further reduces feelings of isolation and would help in building better connections.

Leadership: According to Blanchard (2011), great leaders switch between styles depending on the readiness of their teams. For this reason, managers should be empowered through clear responsibilities and the authority to confidently make decisions. Leadership mentoring, combined with 360-degree feedback, can help develop emotional intelligence, accountability, and self-awareness (Goleman, 1995), creating leaders who can guide their teams with empathy and effectiveness.

Diversity and Inclusion: Nor should this be limited to policies and diversity objectives that are quantifiable and measureable. Leadership evaluation might embrace measurable diversity goals, clear career pathing, and formal mentorship. Hosting employee dialogue circles facilitates empathy and understanding, helping people connect across roles and backgrounds. These steps, together, might serve to reshape Velocity's fast-paced culture-one valuing creativity, reliability, and authentic engagement toward a foundation of long-term success and adaptability.

Potential Risks in Implementation

The reforms being instituted within Velocity Inc. have several risks, which, unless managed properly, may have adverse effects on adoption and overall outcomes. These include leadership resistance, policy versus reality at the front line, motivation, communication, and facilitating diversity. Early identification will be key in these interventions for sustainable change and cultural alignment.

Leadership Risks: The leadership barrier is rather strong, and managers who believe that speed is essential when there are no structured processes may see initiatives such as "reset weeks" or mechanisms for cross-functional working as

anathema to efficiency. Participatory reforms and feedback mechanisms may be seen as a drag on agility in a culture based on top-down decision-making. This could result in warehouse teams disengaging and the reformist measures being perceived as cosmetic because of policy-design gaps and on-ground realities Blanchard, 2011. These risks need leadership support; clear communication at the level of strategic intent and benefit, integration at the business goals level of the developmental initiatives and anonymous 360-degree feedback tools are required to create trust and accountability.

Motivation risks: Sometimes motivational strategies have influences that are not considered, such as rest periods or recognition schemes. Reset weeks may be seen by employees as disruptions, while personalised recognition may be seen as favouritism. Another issue would be survey fatigue, which would lower participation. These can be minimised if the intention of rest periods is clearly explained, transparent recognition criteria are used, and surveys are short with visible follow-up actions.

Communication Risks: If not followed up constructively, open Q&A sessions tend to be viewed as performative. Additional communications responsibilities may be met with managerial resistance, while coordinators without authoritative power cannot act visibly upon this input. In line with the previous point, Velocity needs to hold leadership accountable for acting on feedback, offer standardised templates for briefings, and resource and train coordinators to enable true two-way communication.

Financial and Cultural Risks: Resource constraints could act as inhibitors to scaling wellness and mentoring activities. Besides, there is a risk of cultural inertia in the pace at which inclusive practices are taken up through the hierarchy. Mitigate these through phase rollout, clear communication of ROI, and culture campaign communications for sustainable integration and trust at all levels.

Reflection

Velocity's sustained success depends on reconciling performance ambition with the human realities of its workforce. Cultural fragmentation, inconsistent leadership, and inequitable treatment between white- and blue-collar employees have weakened trust and intrinsic motivation. "Customer Obsession" messaging also appears disconnected from the daily realities of warehouse staff, revealing a gap between stated values and lived experience (Schein, 2017). To evolve, Velocity must build a unified culture that promotes fairness, collaboration, and shared purpose while maintaining operational excellence. Integrating performance and well-being in this way can shift culture from reactive management to sustained engagement.

A lasting transformation requires leadership reorientation. As outlined by Blanchard (2011) and Zarifis (2025), adopting transformational and servant leadership styles would enable leaders to replace control with empowerment. To operationalise this shift, Velocity could introduce quarterly Empathic Leadership Workshops, where managers practise coaching, active listening, and ethical decision-making using real employee scenarios (Goleman, 1998). These initiatives would strengthen psychological safety and restore middle-manager autonomy, allowing them to act as facilitators of performance rather than transmitters of pressure. When leaders demonstrate empathy and transparency, trust develops across the organisation and reinforces the behaviours required for sustained excellence.

Embedding principles from Self-Determination Theory (Deci and Ryan, 1985) and Herzberg's Two-Factor Theory (1959) would align the culture with intrinsic motivation. Ensuring fairness, rest, and safe working conditions would reduce burnout, while motivators such as recognition, growth, and meaningful work would renew engagement. Peer-recognition systems and quarterly Growth Conversations could enhance belonging and competence, shifting motivation from compliance to commitment.

Incorporating distributive, procedural, and interactional fairness (Colquitt, 2001) is also essential. Transparent communication and equitable access to development

can restore perceptions of fairness. Standardising policies while allowing local flexibility would bridge the divide between office and warehouse experiences and show that fairness is embedded in practice rather than rhetoric.

To sustain coherence, cultural alignment mechanisms should reinforce a consistent purpose across functions. Empathy training, recognition systems, and storytelling that connect employees to organisational values would maintain alignment. Training culture champions to model inclusion, ethics, and well-being would further embed these behaviours.

Ultimately, Velocity's evolution depends on broadening its focus from customer obsession to a balanced commitment that values both customers and employees. A culture that prioritises collaboration, ethical leadership, and psychological safety enhances productivity while safeguarding well-being.

Conclusion

Velocity Inc. should prioritise forming clear leadership, making open communication, and fostering equitable employee support across all departments. Establishing focused programs on employee motivation, inclusive leadership development, and consistent two-way communication will inherently build trust and cohesion within the employees. Additionally, there is a need to bridge the gap between office workers and line workers in order to increase morale and engagement. By committing to these actions, Velocity will be able to develop a unified, motivated and flexible work structure that can support innovation and growth on a continuous basis. This approach will better align operational goals with employee well-being, securing long-term organisational success.

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