

Chapter 13 Motivation and Performance

Your Name:

Read: **A Manager's Challenge: Consistently Ranking as a Best Company to Work for: Tindell and Boone Inspire and Motivate at the** Container Store
page 455-456 (first pages of chap 13)

Motivation is what determines the direction of behavior, the level of effort, and persistence of an individual. Motivation is central to management because it explains why people behave the way they do in organizations. Employees at the Container Store are very motivated. They know they should do whatever is required to meet the needs of the customer and they don't need to ask permission. They exert high levels of effort to provide superior customer service and they are very persistent. Instead of telling customers they don't have the item they requested they try to find other items that will meet the customers requirement.

13a) What is intrinsic and extrinsic motivation? What evidence is there to suggest that employees at the Container Store are intrinsically and extrinsically motivated? How do employees at the Container Store feel about helping customers and the products they sell? List the 5 components of the job characteristics model and indicate a rating of 1 (low) or 10 (high) for the sales jobs at the Container Store and indicate the reason for your rating?

13b) The motivation equation includes inputs, performance, and outcomes. List 5 types of inputs and 5 types of outcomes. Discuss inputs, performance, and outcomes at the Container Store. What specific inputs do sales people at the Container Store contribute? What evidence is there that the Container Store is achieving performance? What types of specific outcomes do the employees receive?

13c) Define expectancy, instrumentality, and valence? For each component of Expectancy Theory indicate a rating of 1 (low) or 10 (high) for the sales jobs at the Container Store and indicate your reason for the rating? What things did Tindell and Boone do to boost expectancy? What appears to be highly valent outcomes for employees at the Container Store?

Chapter 14 Leadership

Your Name:

Read: **A Manager's Challenge: Steve Ballmer Reinvents** Microsoft
page 493-494 (first pages of chap 14)

14a) What is the definition of leadership?

14b) What does the case specifically say that indicates Steve Ballmer understands the definition of leadership? Page 495

14c) What is personal leadership style? Discuss Ballmer's leadership style? Page 496

14d) List, define, and briefly discuss 5 sources of power. Explain what types of power Steve Ballmer possesses.

14e) What is empowerment? List 3 reasons empowerment can contribute to effective leadership. Discuss Steve Ballmer's view of empowerment.

14f) List the 8 Leadership Traits. Page 503

14g) What traits does Steve Ballmer possess? Provide a description of each of his traits and provide evidence (quotes) from the case to support your position. Page 502-503

14h) Define consideration and initiating structure as explained in the Ohio State University Behavior Model. Explain how Steve Ballmer demonstrates both of these behaviors.

14i) List and define the two types of leadership styles identified by Fiedler. Explain which of the two leadership styles best describes Steve Ballmer. Provide quotes from the case to support your position.

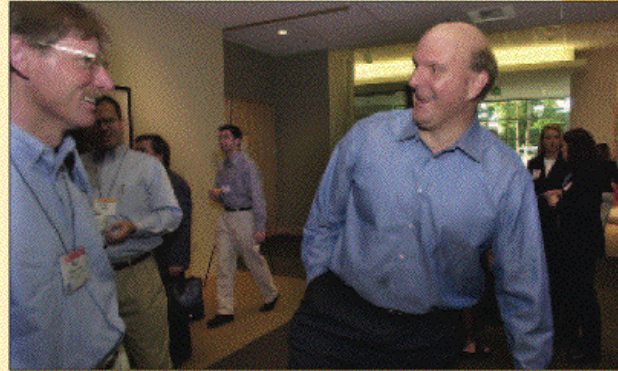
14j) List and define the 4 types of leadership behaviors that motivates subordinates. Explain which behaviors Steve Ballmer demonstrates. Provide quotes from the case to support your position.

A Manager's Challenge

Steve Ballmer Reinvents Microsoft

How can a manager remake a 55,000-strong company to simultaneously promote efficiency and innovation?

When Steve Ballmer became CEO of Microsoft in 2000, he faced a daunting task that became even more daunting a few months into his tenure when the dot-com bust hit the IT world. With over 55,000 employees, Microsoft had grown into a huge corporation. Yet, under Bill Gates's leadership since its founding as a two-person start-up, Microsoft had been run and managed in a very centralized fashion from its earliest days through the 1990s.¹ When Ballmer took over as CEO, he realized that Microsoft needed to become more efficient, employees and managers needed to be empowered to make decisions, and internal structures and processes needed to be put in place to promote efficiency, timely decision making, and innovation. And employee morale needed a boost.² Microsoft needed a new vision—a vision for a new era in which stock options lost much of their value, competition was fierce, and Microsoft was a huge corporation that needed a new kind of leadership.



Microsoft CEO Steve Ballmer, right, laughs as he chats with colleagues. Ballmer's enthusiasm is his trademark.

Ballmer has been described as “the quintessential, larger-than-life, rah-rah leader, and the perfect foil for his geeky and erudite best buddy, Bill Gates.”³ His extraverted nature has led to many an antic at employee gatherings, such as a monkey dance, and his excitement is infectious. Above all else, Ballmer really cares about Microsoft and its future, and dynamism, passion, and enthusiasm are his trademarks.⁴

Ballmer has other important qualities that make him ideally suited to transform Microsoft. He is disciplined, process-oriented, and analytical, and he is driven to find ways to

measure and maximize performance, innovation, and customer responsiveness and make sure that all employees receive important feedback, including that from customers. Importantly, Ballmer realizes that instituting processes to transform Microsoft and promote innovation and employee motivation is a complex and delicate task that must allow for both autonomy and empowerment and enable different units to coordinate their efforts to achieve synergies. One of the reasons decision making was so centralized under Gates's leadership was the overarching need for integration across units.⁵ Gates feared that giving unit managers autonomy would result in a lack of coordination across units, coordination that is essential for developing integrated technologies to achieve Microsoft's vision of "seamless computing."⁶

By 2004, Ballmer had led sweeping changes at Microsoft. Microsoft has been divided into seven operating divisions, with division managers not only empowered to make decisions that would formerly be made by the CEO but also accountable for the financial performance of their divisions. Integration across divisions is achieved by a matrix kind of organization called *integrated innovation*. Software developers in each of the divisions know and keep in close contact with developers in other divisions, and a process called *software engineering strategy* lays out how responsibility for implementing a creative idea is distributed among members of a development team from different divisions. An online performance appraisal system for employees is in place (in the past, there was no formal performance appraisal process); stock options have been replaced with grants of restricted stock; and employees were able to cash in some of their under-water options through an arrangement with J.P. Morgan Chase, which led to over \$345 million being distributed to employees with otherwise worthless options.⁷

Ballmer and Gates (now chairman of the board and chief software architect) share the same vision for Microsoft: to dramatically

boost the perceived value of the company's technology by developing seamlessly integrated software that connects all kinds of electronics, PCs, communication devices, and the Internet through one system.⁸ Getting employees psyched and motivated to rally around this vision has been a top priority for Ballmer. Working at Microsoft had always been more of a quest than a job in the old days. When the dot-com bubble burst, IT hit on hard times, and the economy declined, morale at Microsoft suffered and some valued employees left the company. Ballmer has infused empowered employees and managers with a new sense of purpose and has instituted processes to ensure that they know what needs to be done and receive the information and feedback to make it happen. Ballmer's new mission for Microsoft is "to enable people and businesses throughout the world to realize their full potential" (which replaces the former mission, penned in 1978, of "a computer on every desk and in every home").⁹ Corporate goals include integration with customers and safe, reliable computing; values include honesty, integrity, respect, and open communication.¹⁰

Time will tell whether Ballmer's efforts will pay off in terms of transforming Microsoft into something more than just another large company hampered by its size and falling short of achieving new heights. In July 2004, with a flat share price and modest growth in revenues, Ballmer announced that he would try to reduce costs by \$1 billion (at the time, Microsoft expenses were \$300,000 per employee).¹¹ And he also reaffirmed Microsoft's commitment to innovating for its customers (current annual R&D expenditures are over \$4 billion).¹² As a leader who walks the walk, Ballmer was recently on his hands and knees plugging in monitors in a conference room in the headquarters of General Motors, trying to fix a screen resolution problem for automobile design engineers. As GM's chief information officer, Ralph Szygenda, indicates, "This shows me Steve Ballmer cares."¹³