### **Executive Summary**

This report provides a theoretical analysis of motivation theories and empowerment management and weighs the practical implications with the example of Pixar Animation Studios. There are various theories that help in driving motivation at an organizational level, a subset of which has been discussed in this report such as Drive-theory, Drive-reduction Theory, Incentive Theory, Temporal Motivation Theory and Goal-setting Theory. Along with motivation theories, employee empowerment has also been discussed with examples from Pixar Studios. The success of Pixar Studios is due to its unique culture and working environment, which focuses on driving motivation in different ways, such as giving creative freedom to employees, following informal working styles, helping employees develop mastery in subjects other than those used at work etc.

The key findings of this report are in terms of how to motivate employees intrinsically and diminish employee burnout and job related stress. Various factors such as creative freedom, flexible work environment and facilities such as gym, masseuse, swimming pools, gaming areas etc. give ample opportunities to the employees to relax and rejuvenate. Pixar University helps employees in developing mastery over a wide variety of subjects, which may or may not be related to work and software. Hence, creating an employee friendly and intrinsically motivated work environment.

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#### 1. Introduction

Motivation and employee empowerment have become the new buzzwords in Human Resource Management (HRM) and Quality Management (QM). Keeping employees motivated and driven is key to having them perform better. For long and high performing careers, a sense of belonging needs to be cultivated within the employees and that's where empowering employees with the authority and autonomy to take decisions on their own has proven helpful.

With the help of the Pixar Studios example, the following report analyses the practical implications of the theories of motivation and employee empowerment.

Creating an employee friendly environment along with assisting the employees to develop mastery at subjects of their own interest helps them avoid burning out under jobstress.

Pixar University provides the appropriate environment for educational and collaborative learning. Facilities at Pixar include gyms, sports fields and courts, masseuse visits etc. These facilities help employees rejuvenate, which is critical for them to avoid job-stress. Employees at Pixar are driven by the idea of achieving more than they would as animators in any other firm. The aim is to drive motivation intrinsically and naturally to the maximum extent and when required motivation is driven extrinsically with state-of-the art facilities.

The following report provides an in-depth study into the various motivation theories and discovers the value of employee empowerment with the example of Pixar Animation Studios.

# 2. Theoretical Analysis

### a) Motivation

Motivation is the willingness to exert high levels of effort toward organizational goals, conditioned by the effort's ability to satisfy some individual need (Robbins 1993). Motivation can be considered, as a cycle where thoughts influence behaviour, behaviour drives performance and performance impacts thoughts. There are a number of motivation theories that can be applied to the Pixar Animation Studios case.

- Natural Motivation vs. Rational Motivation
   Natural Motivation targets the innate human and natural forces like needs, desires, drive etc. that inculcate the desire within a person to perform better.
   Rational Motivation, on the other hand, targets a person's role, position, identity etc.
- ii. Content Motivation vs. Process Motivation Content Motivation is based on the fact that the object is driven by what motivates the object. Whereas, Process motivation focuses on how the object gets motivated.

### b) Motivational Theory

Motivation can be classified into two types –

#### ➤ Intrinsic Motivation

Motivation driven by the individual's interest in the task and that exists within the individual rather than the reward associated with the task is referred to as intrinsic motivation. The management at Pixar Animation studios intrinsically motivates the employees by giving them creative freedom and by allowing them to develop mastery in subjects of their own choice apart from those that

they use at work. These subjects can range from photography to acting or sculpting etc.

# > Extrinsic Motivation

Motivation by factors outside the individual is referred to as extrinsic motivation. The drive to attain better performance comes from the rewards associated with the task or to avoid the punishment associated with not completing the task.

Taking the example of Pixar Studios, even though only the key employees are rewarded significantly in terms of financial rewards, the employees at Pixar are also driven by the campus-like environment providing state of the art facilities like a gym, swimming pool, sports fields and courts etc. These facilities work as extrinsic motivators for the current and prospective employees.

There are multiple motivation theories that can be discussed that can be used to drive motivation.

### i. Drive Theory

A drive can be described as a need that creates a behavior aimed at achieving an incentive or accomplishing a goal. Drives are considered to originate intrinsically and may not need an extrinsic factor to encourage the above said behavior.

### ii. Drive-reduction Theory

This theory takes into account the fact that individuals have some biological drives and the strength of these drives increases over time if not satiated. Once the drive, like hunger, is satisfied, the strength of the drive reduces. This theory, however, is not a complete theory of behavior.

### iii. Incentive Theory

This theory hints at the fact that any tangible or intangible reward that is associated with achieving a set goal encourages and increases the drive of an individual to perform. There are five principles that contribute to a successful employee incentive program –

- Recognizing employees' individual differences, and identifying behaviour considered worthy of recognition
- Employees participation
- Linking rewards with performance

- Nominator rewards
- Visibility of the recognition process

# iv. Temporal Motivation Theory

This theory emerged as an integrated theory which emphasizes that time is a critical motivating factor. This theory doesn't rely on one single theory; rather it integrates various aspects of Incentive Theory, Drive Theory, Need Theory and Goal Setting Theory and allows findings from one theory to be used and translated into the terms of another theory.

### v. Goal-setting Theory

This theory relies on the end state being a clearly defined goal. This goal is considered as the reward itself. Proximity, difficulty and specificity are the three factors that define the efficiency of achieving the goal. Goals are often characterized as SMART - specific, measurable, accurate, realistic, and timely. The goals should be defined objectively and should be intelligible for the individual.

# c) Empowerment Management

Empowerment relies on the idea of giving autonomy to all employees, which was once reserved for managers. It is the process of enabling employees to control work and decision making with autonomy. This autonomy means that employees are free to make and take their decisions on their own. This reduces the bottleneck at the managerial approval level. In this way authority is granted at all levels of the organization. Empowerment at all levels provides the solution to the age-old problem where creativity among employees is stifled and they become alienated from the organization. This leads to discontent at an individual or collective level.

Empowerment inculcates a sense of belonging to the organization, which is a far more powerful motivator than monetary gains.

Since this is a relatively new concept in Human Resource Management (HRM), most managers may not be acquainted with the idea of granting freedom to employees to take decisions. This calls for proper training and coaching for managers and help them delegate authority among the employees. The managers need to be able to trust their subordinates and allow them to take action and control work in autonomous ways.

### 3. Practical Implications

To study the practical implications of motivational theory and empowerment management, I will consider the real-world example of Pixar Automation Studios and their strategy to keep their employees motivated and self-driven.

### i. Creative Freedom and Collaboration

Pixar Animation Studios has creative teams that aid in developing their proprietary software like Marionette<sup>TM</sup>, Ringmaster<sup>TM</sup> and RenderMan®. All employees at Pixar Studios are given freedom to take creative decisions at will. Along with creative freedom, they are also given the freedom to collaborate within and across various technological and creative teams.

This shows that Pixar Studios works towards motivating their employees by aiming at their intrinsic drives and empowers them with creative freedom. At Pixar, even though only the key employees receive significant monetary incentives, the drive for all employees seems to be creative freedom that is granted across the organization.

The organization targets Natural Motivational Behavior as opposed to Rational Motivational Behavior.

### ii. Artistic Mastery

As a part of Pixar Studios, employees are given the freedom to develop mastery in subjects of their own choice such as photography, acting, screenwriting, painting, drawing etc.

This approach intrinsically motivates the employees to perform in addition to helping them develop mastery.

### iii. Pixar University

Pixar Studios has established Pixar University, which provides educational opportunities to employees and encourages collaboration among them. The campus-like environment has facilities like a gym, swimming pool, gaming areas, sports fields and courts.

The concept of Pixar University is an extrinsic motivator for all current and prospective employees.

### iv. Risk Aversion

Even with all the intrinsic and extrinsic motivations that are given to drive the employees' performance, there is a risk of job stress and burnout among the employees. In order to promote long, productive careers among its employees and prevent burnout, no one is allowed to work more than 50 hours a week. If there is a situation where an employee or a team needs to work more than 50 hours, then proper managerial level approval is required.

In addition to limited working hours, weekly visits by a masseuse and physician help in maintaining the morale and reducing stress levels among the employees.

#### 4. Conclusion

After analyzing the above report it can be concluded that motivation plays a very important role in defining the employees' attitude and behavior at the workplace. This motivation can be driven, broadly, in two ways, either intrinsically i.e. by forces within the individual or extrinsically i.e. by forces outside the individual. Reward or incentive based motivation, more often than not, is short lived and lasts only till the individual achieves their target. However, intrinsically driven motivation encourages an individual to perform at a task that appeals to their interests and desires. Employee empowerment gives the employees the freedom to take decision for the tasks at hand. This reduces the managerial bottleneck and control and helps in delegation of authority to a wider scale.

The Pixar Studios example shows what to do right at the workplace, such that employees are motivated and self-driven to achieve great results. Employees are given autonomy in all decisions regarding their work and even to the extent of designing their own workplace. Flexible work environment, creative freedom and collaboration among teams encourages employees to perform and cross train.

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