

BUSI 1055 Organisations Behaviour 2024 (Spring)

X (TWITTER) CASE ANALYSIS

20618665

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INTRODUCTION

Twitter had a promising future ten years ago. The company benefited from an influx of capital into the social networking industry, which resulted in a \$1.8 billion IPO in 2013. The business is now in the hands of Elon Musk, the richest man on the planet at that time and one of the most well-known provocateurs on the app. After formally seizing control of Twitter in late October 2022, the CEO of Tesla renamed the platform as X. The dismissal of several top executives was one of his early moves. Ironically, X has already been facing difficulties even before Musk took control. The corporation now faces a dual category of problems under Musk's direction. The pre-takeover difficulties were due to the incapability to generate profit despite having one of the most exclusive user bases in the world and a service with enormous cultural influence, not to mention the weak leadership of former CEO Jack Dorsey. The post-takeover challenges were mainly due to the leadership style of Elon Musk, morales, motivation of employees and corporate culture were all affected by his abrasive leadership style.

PROBLEMS

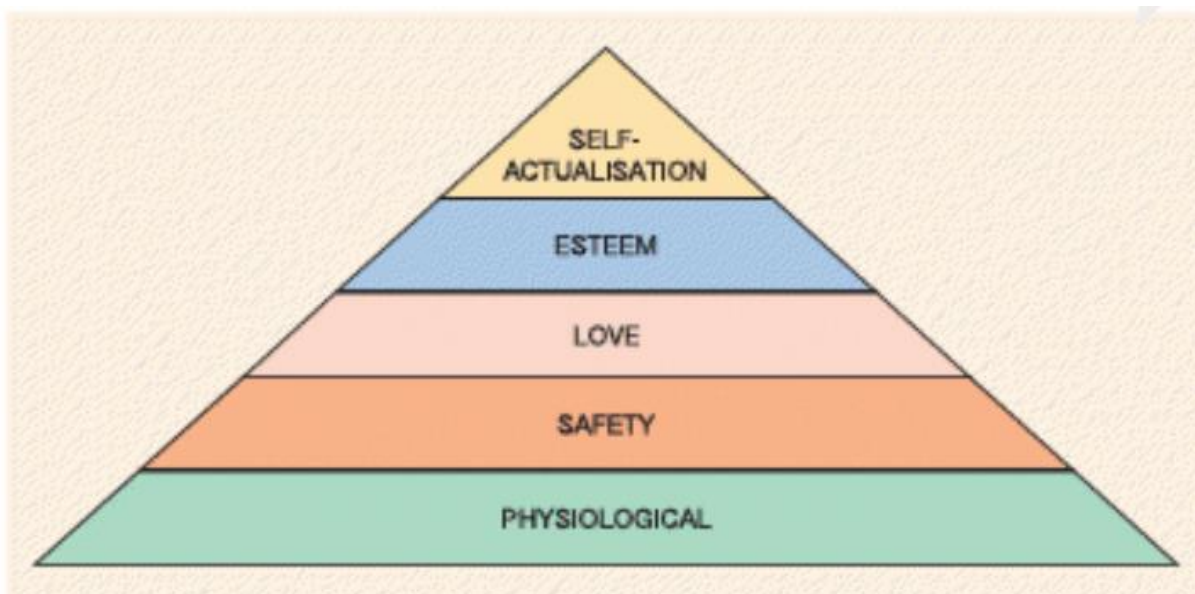
One of the problems was the work motivation of employees in X, all of X's notable major benefits such as nursery, education, and wellness reimbursements were cancelled, and the employees has no sense of security as they were worried to get fired, not to mention that Musk would withheld certain rewards and fired workers with the bare minimum of notice mandated by both federal and state laws. The second problem was the leadership style of Elon Musk, his lack of honesty and integrity had upset people. Also, he failed to transform and motivate his employees (Heath, Newtown and Schiffer, 2023, Vanian, 2022, Newton and Schiffer, 2022).

COMPARE AND CONTRAST BETWEEN THEORIES

There are several theories that can explain on the work motivation, one of them is the equity theory. It is based on our insight of fair treatment, the justification of “fair treatment” depends on the comparison we make with others (Buchanan, D & Huczynski, A. 2019:288). It is believed that we evaluate our contributions (time, effort, skill) and rewards (money, job security, satisfaction) in relation to other people's outputs and inputs. When these ratios are the same, we have equity:

$$\frac{\text{my rewards (minus my costs)}}{\text{my efforts and contributions}} = \frac{\text{your rewards (minus your costs)}}{\text{your efforts and contributions}}$$

While some may compare our circumstances to those of our close colleagues, others do so with individuals from different organisations, industries, and nations. Another theory that can be used is Maslow’s hierarchy of needs theory, it can be shown in a pyramid form:



Maslow proposed that human needs are arranged in these series of level, that they only pursue fulfilling their "higher level needs" only after their "lower-level needs" have been met (Bauer, Carpenter and Erdogan 2010). The lowest level includes the basic needs for human’s survival, such as the need for oxygen and food. The second level refer to safety and security, and the need for order and predictability. The “LOVE” level is often referred as socials needs, which is sense of belongings

and friendship. Whereas the next level includes the need for self-esteem and recognition. The highest level indicates the need to develop our full potential. The key difference between these two theories is that the hierarchy of needs is actually an example of content theories of motivation which tries to provide insight into the particular factors that drive an employee's motivation at work, whereas equity theory represents the process theory of motivation, an attempt to determine the connections between the dynamic factors that comprise motivation and the activities necessary to affect behaviour and actions. I thought that the equity theory may describe the issue of work motivation of employees in X better as it helps to understand the factors leading to dissatisfaction of employees, on the other hand Maslow theory is not precisely accurate as the order of importance of different needs is rather subjective, the most common reversal of the hierarchy is that for some people, love may not be as important as self-esteem (Mullins, 2016).

As for the aspect of leadership, it can be justified through trait theories, this theory assumed that leaders are created, not born. Researchers aimed to look for a set of characteristics that differentiate leaders apart from non-leaders and had identified a few including self-confidence and intelligence (Mullins, 2016:317). The other theory would be transformational theory, it focuses on developing an organisational vision, the leader's capacity to inspire followers to perform "beyond contract," and establishing an atmosphere of fairness, loyalty, and trust. It has four basic components, which are idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration. Transformational theory best describes the leadership problem of Elon Musk as the four basic components are exactly what Musk lack of, whereas the traits of leaders mentioned above are very general, this implies that certain personality qualities of distinct leaders have little in common and cannot conclude anything useful (Mullins, 2016:314).

ANALYSIS

After laying off 50% of employees, Elon Musk had left teams overseeing X's most important user experience and infrastructure operating with a skeleton crew, indicating heavier workload for them. Furthermore, they have also lost their major benefits as X's employee, for example wellness reimbursement. On November 10, Musk abolished the policy that allows entire workforce to work from home (Heath, Newtown and Schiffer, 2023). According to equity theory, the employees are experiencing under-reward, which explains the low motivation of employees. On the other hand, although Elon Musk has admiration of others due to his successful business career, however he did not gain respect of his employees. Musk also do not motivate and shows no empathy, on November 16, his remaining employees received an email from him, he claimed that employees would have to be "very hardcore," putting in "long hours at high intensity." The outdated method of conducting business was gone. As of right now, "a passing grade will consist of only exceptional performance" (Heath et al. ,2023). Furthermore, Musk is more of an autocratic leader, this can be seen when he refused to listen to his safety team regarding the dangers of people impersonating brands or politicians when he launched Twitter Blue's paid verification system (Heath et al. ,2023). Therefore, transformational leadership best describes his problem as he did not fulfil any of the four basic components.

RECOMMENDATION

I think that attempts can be made to solve the problems by using the goal-setting theory, it is believed that setting a challenging, realistic goal can leads to higher level of work performance in a short notice, solving the low motivation of employees caused by equity theory. Goals define expectations for performance and behaviour at work and provide feedback or consequences when they are not met. In order to satisfy their feelings and desires, people work towards achieving their goals. The participation of employees in the process of setting goals is also useful as when it comes to setting difficult goals, it proved that it is more acceptable when there is participation.

Furthermore, being engaged during the process gives the employees a sense of belonging. Upon completing their goals, employees may also have a sense of achievement, an example of intrinsic reward. Musk should also improve his leadership style based on the four basic components of transformational leadership, he should emphasize more on developing a sense of direction and commitment of employees. In order to achieve this, Musk and his senior executives should motivate staff, encourage creativity, and create a healthy workplace culture. This implies actively involving employees in decision-making processes, providing frequent compliments and critiques, and clearly outlining the organization's future goals. It is essential to have a clear two-way communication.

CONCLUSION

In conclusion, applying the concepts of OB theories offers significant perspectives on the challenges encountered by X, both prior to and following Elon Musk's acquisition. Leadership styles, organisational culture, and employee motivation significantly influence the effectiveness of an organisation and the well-being of its employees. Musk can enhance long-term performance of X by implementing a transformational leadership style, cultivating a positive organisational culture, and raising employee motivation and engagement.

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