

Kingston technology case study examples

[Business](#), [Company](#)



Discussion questions:

1. John Tu, one of the founders of Kingston Technology, believes that building a relationship of respect and trust with employee is crucial to achieving business success. Identify the management practices at Kingston that help in achieving this goal.

2. Do you agree with Kingston's policy of giving new employees profit-sharing bonuses even when they join the company just one week before profits are distributed? Support your position.

I think that providing newly-hired employees with profit-sharing bonuses is a nice tool to make employees feel more comfortable at their jobs. This is especially important for the novices. They feel that they are treated in the same way as the others. Besides, they are more motivated to stay at the company and to get promotion in the department they are working in. The generosity of the company's top leaders also make new employees believe that the Kingston Technology does the fair business and can guarantee the safety and security of their co-workers. Unsurprisingly, the annual attrition in the company is only about 2 percent, which is a very good result for the companies dealing with new technologies and where the job stresses are very common.

3. Kingston technology has been listed among Fortune Magazine's Top 100 best companies to work for. How has the company been able to maintain above average level of employee motivation and job satisfaction?

Since 1998, the company is almost annually listed in the Fortune Magazine's Top 100 best companies to work for in the United States (Kingston Technology, 2011). Actually, in 1998, the company was ranked the second

best company to work for. According to the Herzberg theory, the main motivator for employees is not money but the feeling of appreciation the employees get from their managers (Ball, 2003). The top leaders of the Kingston Technology succeeded in implementing this technique. Chief Executive Officer of the company John mentions the importance of his employees and appreciates their efforts and team work in every interview (HEXUStv, 2011). And employees feel this support and are strongly motivated to do their best.

4. Would you characterize John Tu and David Sun as leaders or managers? Explain your answers.

I would say that both John Tu and David Sun are the leaders of the companies. But the most interesting in this is that they believe that everyone in the company is a leader (Daft, Murphy and Willmott, 2010 p. 426). Therefore the President and the Vice President of the company provide employees with bonuses and treat everybody with the same respect and trust their employees. For Tu and Sun leader is not the person who governs all the others but a man, who can cooperate and help in case of troubles. Both top leaders are highly respected in the company.

Quiz:

1. Which of the following management practices at Kingston Technology best reflects the leadership style that Sally Helgesen call "the web"?
 - a. Returning 10 percent of profits to employees every year.
 - b. Locating executive offices in the center of the building.
 - c. Conducting regular employee surveys.
 - d. Giving employees space to grow and do their best.

2. Organizations often come to mirror their founder personalities. Going by this assumption, John Tu and David Sun are likely to be -----

- a. Authoritarian
- b. Control oriented
- c. Participative
- d. Task oriented

3. When Kingston Technology was sold to Softbank in 1996, John Tu and David Sun made one of the largest employee gifts in U. S. history. What was the amount of the gift?

- a. \$ 1. 25 billion
- b. \$ 1. 25 million
- c. \$ 100 million
- d. \$ 10 million

4. From the information available in the video, which of the following is not one of the ways that Kingston builds trust and respect with employees?

- a. Following a clear chain of command when communicating across levels
- b. Open profit sharing
- c. Following a combination of management style and employee rewards
- d. Maintains a psychological; contract with employee

5. Of the following functions of a leader in shaping organization culture, which function does this video not talk about?

- a. Role modelling
- b. Reward system
- c. Hiring decision
- d. Strategy and structure

References

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