

The CEO's Influence on Organizational Outcomes at Microsoft: A Perspective on Transformational Leadership in the Tech Sector

Mouna Boutamine* and Sarah Benlaharche**

DOI: <https://doi.org/10.62206/sajm.31.2.2024.7-27>

Abstract

This study thoroughly examines the CEO's transformational leadership style at Microsoft, using a mix of descriptive and analytical methods. It collects and analyzes data from various sources, including scholarly articles and reputable publications. The methodology focuses on two main aspects: describing transformational leadership and Microsoft-related concepts, and analyzing collected data to understand how transformational leadership impacts Microsoft's outcomes, and subsequently translate findings into actionable insights. The study's results highlight the CEO's outstanding leadership abilities and forward-thinking approach, both of which significantly contribute to his effectiveness as a transformational leader within the organization, while the hierarchical leadership structure at Microsoft, overseen by the CEO, fosters a culture of voluntary followership, thereby influencing the achievement of organizational objectives. Additionally, the processed data reveals a strong positive correlation between CEO transformational leadership behaviors and Microsoft's outcomes, particularly in terms of organizational commitment to vision achievement and the CEO's capacity to inspire creativity and innovation among employees. In conclusion, the study advocates for further research to explore additional factors, including potential limitations of this leadership style, across various contexts and environments.

Key Words

CEO transformational leadership, CEO behaviors, Microsoft, Microsoft's outcomes, Satya Nadella

Author Biography

Mouna Boutamine

PhD Student, INIF Research Laboratory, University of Oum El Bouaghi, Algeria. E-mail: Boutamine.mouna@univ-oeb.dz

Sarah Benlaharche

Associate Professor, COFIFAS Research Laboratory, University of Oum El Bouaghi, Algeria. E-mail: Benlaharche.sarah@univ-oeb.dz

References

1. Abbas, M., & Ali, R. (2023). Transformational versus transactional leadership styles and project success: A meta-analytic review. *European Management Journal*, 41(1), 125-142..
2. Abu-Mahfouz, S. S. (2023). *Organizational behavior and transformational leadership*. Virtus Interpress
3. Adigwe, C. S. (2024). Transformational leadership: A comparative exploration of the leadership prowess of Jeff Bezos and Steve Jobs. *Asian Journal of Economics, Business and Accounting*, 24(3), 68-89.
4. Adnan, M., Ali, M. A., Rafiq, S., & Malik, A. (2022). Transformational and transactional leadership as a function of employee performance. *Journal of Business and Social Review in Emerging Economies*, 8(2), 557-566.
5. Ahmed, B. (2023). Apple: Global ethics and transformational leadership. *Journal of Global Awareness*, 4(2), 1-12
6. Ahmed, G., & Al Amiri, N. (2022). The transformational leadership of the founding leaders of the United Arab Emirates: Sheikh Zayed Bin Sultan Al Nahyan and Sheikh Rashid Bin Saeed Al Maktoum. *International Journal of Technology, Innovation and Management (IJTIM)*, 2(1), 23-40.
7. Al Jubouri, Z. T. K. (2023). The role of transformational leadership for human resource managers in training and development. *International Journal of Professional Business Review*, 8(4), 1-19.
8. Anderson, J., & Wood, R. (2002). Seven management lessons from Microsoft. *Business Strategy Review*, 13(3), 28-33.
9. Bakker, A. B., Hetland, J., Olsen, O. K., & Espevik, R. (2023). Daily transformational leadership: A source of inspiration for follower performance? *European Management Journal*, 41(5), 700-708.
10. Boehm, S. A., Dwertmann, D. J., Bruch, H., & Shamir, B. (2015). The missing link? Investigating organizational identity strength and transformational leadership climate as mechanisms that connect CEO charisma with firm performance. *The Leadership Quarterly*, 26(2), 156-171.
11. Bwalya, A. (2023). Leadership styles. *GSJ*, 11(8), 181-194.
12. Cetin, M. O., & Kinik, F. S. F. (2015). An analysis of academic leadership behavior from the perspective of transformational leadership. *Procedia-Social and Behavioral Sciences*, 207, 519-527.
13. Chen, Y., Tang, G., Jin, J., Xie, Q., & Li, J. (2014). CEOs' transformational leadership and product innovation performance: The roles of corporate entrepreneurship and technology orientation. *Journal of Product Innovation Management*, 31, 2-17.
14. Cheng, P., Liu, Z., & Zhou, L. (2023). Transformational leadership and emotional labor: The mediation effects of psychological empowerment. *International Journal of Environmental Research and Public Health*, 20(2), 1030.
15. Dan, T. (2023). Transformational leadership theory in the Chinese context: Relevance and limitations. *International Journal of Frontiers in Sociology*, 5(6), 151-156.
16. Dweck, C., & Hogan, K. (2016). How Microsoft uses a growth mindset to develop leaders. *Harvard Business Review*, 1-4.
17. Fernandes, A. P. S. M. (2023). Role of transformational leadership on innovation in

higher education: A review of literature. *Journal of Shodhasamhita*.

18. GarcíaMorales, V. J., MatíasReche, F., & HurtadoTorres, N. (2008). Influence of transformational leadership on organizational innovation and performance depending on the level of organizational learning in the pharmaceutical sector. *Journal of Organizational Change Management*, 21(2), 188-212.

19. Gradinaru, C., Toma, S. G., Catana, S., & Andrisán, G. (2020). A view on transformational leadership: The case of Jeff Bezos. *Manager*, (31), 93-100.

20. Hay, I. (2006). Transformational leadership: Characteristics and criticisms. *E-journal of Organizational Learning and Leadership*, 5(2), 1-19.

21. Ibarra, H., Rattan, A., & Johnston, A. (2018). Satya Nadella at Microsoft: Instilling a growth mindset. London Business School.

22. Investing.com. (2023). Microsoft: The Most Enduring Tech Superstar. <https://www.investing.com/academy/statistics/microsoft-facts/>

23. Jain, R. (2010). Innovation in organizations: A comprehensive conceptual framework for future research. *South Asian Journal of Management*, 17(2), 81-111.

24. Jain, R., Jain, C., & Jain, P. (2015). Team creativity at work: A conceptual framework. *South Asian Journal of Management*, 22(1), 50-72.

25. Jandaghi, G., Matin, H. Z., & Farjami, A. (2009). Comparing transformational leadership in successful and unsuccessful companies. *African Journal of Business Management*, 3(7), 272-280.

26. Jensen, M., Potoènik, K., & Chaudhry, S. (2020). A mixed-methods study of CEO transformational leadership and firm performance. *European Management Journal*, 38(6), 836-845.

27. Kilag, O. K. T., Malbas, M. H., Nengasca, M. K. S., Longakit, L. J. H., Celin, L. C., Pasigui, R., & Valenzona, M. A. V. N. (2023). Transformational leadership and educational innovation. *European Journal of Higher Education and Academic Advancement*, 1(2), 103-109.

28. Korejan, M. M., & Shahbazi, H. (2016). An analysis of the transformational leadership theory. *Journal of Fundamental and Applied Sciences*, 8(3), 452-461.

29. Kotamena, F., Senjaya, P., & Prasetya, A. B. (2020). A literature review: Is transformational leadership elitist and antidemocratic? *International Journal of Social, Policy and Law*, 1(1), 36-43.

30. Lawless, Joe, "Microsoft and the Future of AI" (2018). MICCSR Case Studies. 12. https://digitalcommons.tacoma.uw.edu/miccsr_case/12

31. Liu, C.-H. S., & Huang, Y.-C. (2020). The influence of transformational leadership on subordinate creative behaviour development process. *Tourism Management Perspectives*, 36, 100742.

32. Macrotrend. (2023). Microsoft: Number of Employees 2010-2023 | MSFT. <https://www.macrotrends.net/stocks/charts/MSFT/microsoft/number-of-employees>

33. Microsoft. (2023a). Case study: Microsoft's bold new leadership strategy. neuroleadership.com/case-study-microsofts-bold-new-leadership-strategy/

34. Microsoft. (2023b). Microsoft is rolling out a new management framework to its leaders. It centers around a psychological insight called growth mindset. <https://www.businessinsider.com/microsoft-is-using-growth-mindset-to-power-management-strategy-2019-11>

35. Microsoft. (2023c). Mission and vision. <https://www.microsoft.com/en-us/about>

36. Mohan, M., & Mathew, S. G. (2019). Effect of Transformational Leadership on Employee Creativity In An Organization, *Pramana Research Journal*, 9(5), 985-990.
37. Pan, Y., Verbeke, A., & Yuan, W. (2021). CEO transformational leadership and corporate entrepreneurship in China. *Management and Organization Review*, 17(1), 45-76.
38. Pandey, A. (2017). Transformational and transactional leadership. *New Man International Journal of Multidisciplinary Studies*, 4(9), 120-123.
39. Pawar, A. (2016). Transformational leadership: Inspirational, intellectual and motivational stimulation in business. *International Journal of Enhanced Research in Management & Computer Applications*, 5(5), 14-21.
40. Poulter, A. (1997). Microsoft futures. *VINE*, 27(4), 64-69.
41. Prakash, D., Bisla, M., & Rastogi, S. G. (2021). Understanding authentic leadership style: The Satya Nadella microsoft approach. *Open Journal of Leadership*, 10, 95-109.
42. Purwanto, E., Ate, J. P., & Ifa, M. (2023). The importance of transformational leadership and job resources to increase lecturer engagement: Learned from Indonesia case. *Journal of Law and Sustainable Development*, 11(2), 1-18.
43. Reza, M. H. (2019). Components of transformational leadership behavior. *EPRA International Journal of Multidisciplinary Research*, 5(3), 119-124.
44. Rua, O. L., & Carvalho, A. R. (2023). Linking transformational leadership to start-ups creativity. *Revista de Gestão e Secretariado (Management and Administrative Professional Review)*, 14(7), 11650-11673.
45. Seyal, A. H. (2015). Examining the role of transformational leadership in technology adoption: Evidence from Bruneian technical & vocational establishments (TVE). *Journal of Education and Practice*, 6(8), 32-43.
46. Shafi, M., Lei, Z., Song, X., & Sarker, M. N. I. (2020). The effects of transformational leadership on employee creativity: Moderating role of intrinsic motivation. *Asia Pacific Management Review*, 25(3), 166-176.
47. Shao, F. (2023). The Economic Impact of monopolistic advantage: A case study of Microsoft. *Highlights in Business, Economics and Management*, 8, 196-204.
48. Srivastava, A. P., & Jaiswal, D. (2015). Leaders' positive expectations and subordinate performance: A study of academic professionals. *South Asian Journal of Management*, 22(3), 7-27.
49. Statista. (2023). Microsoft's annual revenue worldwide from FY 2002 to FY 2022. <https://www.statista.com/statistics/267805/microsofts-global-revenue-since-2002>
50. Stock, G., Banks, G. C., Voss, E. N., Tonidandel, S., & Woznyj, H. (2022). Putting leader (follower) behavior back into transformational leadership: A theoretical and empirical course correction. *The leadership quarterly*, 34(6), 101632.
51. Suder, G., & Payte, J. M. (2006). Microsoft: A case in crosscompany transformation. *Thunderbird International Business Review*, 48(4), 555-596.
52. Udin, U. (2023). Transformational leadership, knowledge-based work passion and organizational citizenship behavior: A survey dataset from public university. *International Journal of Human Capital in Urban Management*, 8(3), 391-402.
53. Zhu, J., & Huang, F. (2023). Transformational leadership, organizational innovation, and ESG performance: Evidence from SMEs in China. *Sustainability*, 15(7), 5756.
54. Zhu, W., Chew, I. K., & Spangler, W. D. (2005). CEO transformational leadership and

organizational outcomes: The mediating role of human–capital-enhancing human resource management. *The Leadership Quarterly*, 16(1), 39-52