

Question 1:

By displaying each sales person sales figure, Nordstrom manages to foster internal competition as no sales person would like to be seen by colleagues to be the lowest seller. On the other hand, the person posted as the best performer is motivated to continue with the sales trend and thus his or her sales always remain high. However, this competition may create destructive tensions in a number of ways which includes lowering the esteem of sales personnel whose performance has failed to hit the intended target for several times. The sales personnel also may fail to work as a team and develop a selfish approach which in turn results to an overall sales result for the company.

Question 2:

The reinforcement approach taken by Nordstrom can be said to be a good one as it ensures that hard work is not only reinforced but also rewarded. However, this reinforcement schedule may have devastating effects to the company as the frequency to reward performance is too high and thus may make it hard for one to have significant influence to the sales portfolio. The reinforcement approach therefore is not the best due to its frequency.

Question 3:

A good motivation example that I have seen includes that used by General Electric for its warranty sales. A floor sales person who manages to sell a warranty for a sold electronic is given 40 percent of the warranty amount, with the sales person with the highest warranty sales within the month getting a further reward. The sales people are therefore motivated to ensure that every electric or electronic material they sell is accompanied by the warranty for them to earn the commission. This method of has worked well for general electric.