

# Microsoft Corporation

## Assignment 2

### Question 1

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## **Introduction**

An organisation's labour force keeps on changing over time. Some of the recent changes in organisation's labour force include increased participation of persons with special needs, gender orientation, various race or ethnicity, and a change in behaviour or attitude (Boxall and Purcell, 2011, p.13). As such characteristics occur, they challenge human resource management (HRM) to determine how to cater to these changes and address gaps within actual employee skills and job descriptions (Noe et al. 2015, p.9). Consequently, applying flexibility and robustness in the workplace is crucial as it helps to create and preserve harmonious settings for every employee in an organisation. HRM policies are viewed to be robust and progressive if they are vigorous, healthy, and healthy enough to maintain a fast and fluid employees' organisational adaptation within unexpected and unfavorable situations (Boxall and Purcell, 2011, p.15). The focus of this report is to analyse the reasons organisations need progressive and robust HRM policies. The chosen company is Microsoft Corporation and this case study is used to show the linkage between HRM strategy and employees' training, development, and engagement.

## **The Need for a Robust and Progressive HRM Policies within Organisations**

Human resources policies describe the values and the philosophies of any organisation. They also define on how people should be managed. The policies usually are used to provide general guidance on how HMR issues should be handled. Their main target is to ensure that any issues related to HMR are dealt with consistently in accordance with the philosophy and the values of the organisation (Armstrong and Taylor, 2014).

An organisation's HRM department is usually associated with the hiring and training of employees. It is also responsible for employees' benefits, timekeeping, psychological assessment, employees' relationship, and background checking, as well as staff exit

interviews. The HRM department can also be viewed as the entry and exit points for every employee in an organisation. But the presence of robust and progressive HRM policies helps to strategically organise human resources in a firm and improves the organisation performance and also helps the company to achieve its business targets and keep its values. Consequently, this helps to address the gaps in the employees' skills and job description (Armstrong and Taylor, 2020). That is why a robust and progressive policies are so essential and important for any organisation.

### **The significance of robust and progressive HRM policies at Microsoft Corporation**

The concept of HRM has extensively been studied in both human behaviour and motivation studies. Different reasons determine employees' behaviour. For the past years, researchers have attempted to study various concepts of HRM including, job design, recognition, motivation and job promotions and how they influence employees' performance (Boxall and Purcell 2011, p.14). Microsoft's HRM policies are founded on addressing these concepts as they are crucial in the development of a robust and progressive labour force, as discussed below.

Microsoft Corporation stands out as one of the largest and most successful companies in the US and the world as a whole. Founded in 1975 by Bill Gates and Paul Allen, Microsoft Company gradually grew to become a multinational corporation (Riyadarshini, 2010). Currently, the firm dominates both the American and the global market, particularly in the production of the Windows operating system. The company is known to utilise employee-driven HRM policies. As a technological company, Microsoft has been able to harness its employees' efforts to stay competitive and stay ahead of others in the industry (Riyadarshini, 2010). The firm views its employees as the most important resource for its success. Microsoft

Company views its employees as a competitive advantage, and its success is based on hiring the best brains in the industry (Wiernek, n.a). For this reason, Microsoft has a unique recruitment policy in which the most qualified employees are recruited from all over the world.

Moreover, Bill Gates, the co-founder of Microsoft, has been the face of the HRM policies in the company. More specifically, Gates believes that employees should be given a sense of ownership of the company as a way of motivation and retention strategy (Christopher, 2019). Consequently, the firm offers its employees competitive wages and options to purchase equities or shares from the firm from the time it got listed in the stock exchange. Allowing employees to purchase the company stocks and performance-based reward systems has remained a crucial motivation strategy at Microsoft (Riyadarshini, 2010). The strategy motivates employees to perform better as this ultimately increases their stock options and bonus awards.

Furthermore, Microsoft's HRM has performance goals for all employees, which are measured against the firm's objectives. These goals are usually summarised by the term 'SMART' which is an abbreviation that stands for specific, measurable, attainable result-oriented, and time-bound (Riyadarshini, 2010). Employees' reward systems are based on their attainment of these company goals (Riyadarshini, 2010). Also, the assessment process provides an opportunity for self-assessment, and these assessment reports are submitted to managers for evaluation (Wiernek, n.a). Once the managers are through with these assessments, the manager and employees hold meetings to identify the job performance areas that need to be improved.

Employee's motivation is also a critical policy area in Microsoft's HRM. Employee's motivation involves providing a favourable environment for each staff for them to feel

satisfied when working to meet the company's objectives and goals. Fredrick Herzberg's motivation theory has described such kind of motivation. The theorist argues that employees' motivation involves improving hygiene factors such as the organisation and work environment (Stredwick, 2013). Moreover, these hygiene factors may include the organisational job security policies, salaries, and administration of HRM policies, among others. However, Herzberg also notes that these factors may not result in high employees' motivation levels, but they help to minimise dissatisfaction among them (Katou and Budhwar, 2014). Herzberg's motivation theory is also involved with everything that occurs within the organisation and what is needed to develop an inbuilt motivation within the workforce (DeCenzo, Robbins, and Verhulst, 2016, p.5). In particular, the theory identifies recognition and achievement as crucial factors that make employees inherently motivated.

The HRM policies at Microsoft Company also ensures that all employees understand the organisation's goals and strives to improve their level of satisfaction as much as possible. This is achieved by maintaining a strong culture where all employees are engaged and involved in the company's affairs from their first day at work (Rees and Smith 2017, p.11). For instance, newly recruited employees are provided with the necessary motivation and system support to ensure that they understand their job well and avoid work-related stresses. Conceptually, this can be associated with Maslow's hierarchy of needs theory (Aswathappa, 2013, p.3). Maslow's theory argues that employees are likely to develop some level of discontentment; however much they are satisfied. Maslow suggested that employees should be allowed to do the jobs they are trained for as they have an opportunity of doing them the best. This is what Maslow referred to as self-actualisation, which is the highest level of satisfaction in his hierarchy of needs (Bailey et al. 2018, p.4). As outlined by Maslow, employees' needs tend to increase once one level of need is fulfilled. Therefore, an

organisation must be aware of these emerging needs of employees and develop an HRM policy to address them.

As mentioned previously in the report, the HRM policies identify the methods the HR department of a firm uses in dealing with the issues of its employees. Policies identify the values and philosophies that the firm uses in handling and treating employees. A HR policy defines the approaches the firm will use in fulfilling its duties to the employees such as compensation, ensuring equity, training and development, enhancing performance and improving working conditions. Microsoft has several HR policies. One such policy is ensuring that the different Microsoft teams collaborate with each other through real time communications for improved productivity. Another policy is ensuring diversity and inclusion of talented individuals during the hiring and recruitment process.

At Microsoft Corporation, the HRM strives to address the emerging needs of the employees by modifying its policies from time to time. Consequently, it has been possible for the Microsoft Corporation to retain its employees for long periods by remaining innovative and flexible in the application of its HRM policies. The more complex a job is at Microsoft, the higher the associated returns. For instance, Bill Gates and his co-founder of Microsoft always value and appreciate their employees more than the rivals in the industry. Consequently, this has enabled the company's HRM to be robust and progressive.

Microsoft's HRM policies also incorporate aspects of the expectancy theory. The expectancy theory is based on the notion that motivation exists where there is a connection between performance and outcome (Aswathappa, 2013, p.7). The theory also explains how employees reward should be matched to their efforts. At Microsoft, expectancy theory is applied in the employees' reward system (Bailey et al. 2018, p.11). For instance, the company has been

issuing equities or shares to valued employees to enhance the employer-employee relationship and to boost staff productivity.

### **The linkage between Microsoft's HRM strategy, and employees' training, development, and engagement**

The HMR purpose has increasingly been acknowledged as a significant element of a organisation's strategy. Companies that want to succeed in nowadays business environment have to invest in the development and acquisition of employees. A recent research about HMR practices found that development and training is perceived as the most essential HMR practice (Drost et al. 2002). It is essential that any organisation needs to implement their own strategy according to their specific targets and business context (CIPD, 2020).

Human resources development strategy is linked to development and training, which are seen as a crucial activity and are coherent part of this strategy. The aim is to ensure competitiveness with a focus on the personal growth, financial improvements and organisational stability (Rowland, Hall, and Altarawneh, 2017).

Microsoft Company has maintained an HRM strategy of hiring fresh but intellectually sharp students from leading learning institutions and helping them realise their full potential in their careers. Microsoft train them and help them to develop knowledge, skills and capabilities, leading to increased effectiveness and overall increases in efficiency and productivity. Consequently, due to the development that the company applies, there is a significant impact on employees' creativity, team working, commitment and job satisfaction. This HRM strategy began from the time the company began when its owners sourced the brightest students they could find in the universities at the time (Zhou, Hong, and Liu, 2013). To achieve this, its hiring process is extremely rigorous, with interviews designed to test their

thought process, knowledge, work habits, and problem-solving abilities (Zhou et al. 2013).

The process often focuses on identifying intelligence as opposed to experienced employees.

As the company expanded globally, it started sourcing employees through other strategies such as an invitation to formal dinners and industry conventions (Tung 2016, p.143). To achieve this, Microsoft has created a recruitment team leader that visit different locations and events to identify the smartest talents and communicating with them and ultimately hiring them (Aswathappa, 2013). Since the company mostly employs young employees from institutions of higher learning, it employs various strategies to develop, train, and engage them as discussed below.

Employee engagement refers to an employee having a positive perspective about an organisation and its values. An engaged employee understands and commits to the achievement of business values and collaborates with other workers to work towards the accomplishment of organisational objectives (Robinson et al. 2004). Every organisation must develop policies and practices that enhance employee engagement. Microsoft achieves employee engagement by maintaining a favourable working environment that suits this age of employees. For instance, young employees at Microsoft are provided with a sense of social belongingness (Riyadarshini, 2010). This is achieved by providing each employee with a private office to work in and allowing them to decorate them according to their desires (Tung 2016, p.145). Employees' engagement is further enhanced by providing them with subsidised food prices, and this has been effective in motivating them.

Staff development at Microsoft Corporation is enhanced through horizontal job rotations, and this enables the development of a multifaceted workforce. Consequently, most employees in the company can work in any department, and this has tremendously improved employees' growth. Microsoft carried out a survey in the 1990s following a high rate of its employee

joining rival firms (Riyadarshini,2010). From this survey, a need for continuous training among junior employees was identified, and this led to improved satisfaction and employee retention (Riyadarshini, 2010). Training junior employees enabled them to advance their careers, and this improved their commitment to the company.

Microsoft has also been employing strategic HRM. Strategic HRM is an approach of managing the human resources of an organisation by focusing on their long-term issues, matching the available resources to the future needs and other concerns such as culture, values and commitment (CIPD, 2020). This approach by Microsoft have been effective in helping the HR managers of the firm in delivering fair and equitable rewards to the employees, improving their performance and aligning their management to the structure of the organisation. Microsoft has established an organisational framework to achieve these individual strategies. Applying strategic HRM has contributed to the current success of the firm by managing and motivating the employees to work towards the achievement of the firm's business strategy. For instance, allowing the employees to purchase company stocks motivates the employees to enhance their performance as they will earn dividends or have their stocks increase in value of the firm records improved performance every year.

## **Conclusion**

The success of Microsoft Corporation can be attributed to the robustness and progressiveness of its HRM policies. The company has designed its HRM policies to reflect its vision, where the employer seeks to satisfy employees' needs by continuously engaging, training, and developing them to realise their full potential. In developing robust and progressive HRM policies, organisations often employ various concepts and theories in this field. For instance, Microsoft adopts Maslow's and Herzberg's theories in designing robust and progressive HRM policies. The robustness and progressiveness of an organisation's HRM policies help in

bridging the gap between HRM and employees' job skills, hiring, and the maintenance of good relationships within an organisation. As a department entrusted to meet these gaps, Microsoft's HRM has maintained progressiveness and robustness, which helps individual employees and the business to remain competitive over the years.

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