



# ***An Essay About The Relationship between Organisational Culture, People and Organisational Performance at Microsoft***

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## **Introduction**

Microsoft is one of the leading software companies in the world with an attractive valuation. The company deals with some of the most talented employees in the software engineering field, faces one of the most competitive market worldwide both for products and human resources. Therefore, Microsoft has to carefully choose and implement organizational choices regarding the human resources of the organization and have to tread the lines of organizational management very carefully. This assignment is focused on the organizational behaviour based choices Microsoft has made over time and is making currently in the course of business decision making.

## **Main body**

### **The relationship between structure, culture, people and organizational performance at Microsoft**

Organizational structure has had a profound effect on Microsoft since the day of its beginning. Because of the nature of the industry, the companies in this sector have to be flexible and facilitating to the employees. This is also a talent intensive industry, which makes it obligatory for the companies to stick to high standards of employee relations to remain competitive in the software industry. The structure of Microsoft has been reasonably flat to facilitate the free flow of ideas and fast-paced change throughout the organization. This has traditionally moved the attention of the employees away from the organizational place-holding glory to more financial incentive-based works (Bohn, 2017). This has deeply affected the HRM practices of the organization, where organizational reward came to be defined as how much financial reward is imparted to the worker. Such kind of emphasis on financial reward can also be seen in the investment banking industry, where a large amount of bonus is given out to the successful employees after a year's evaluation.

The culture of Microsoft is often defined as the ideal culture of a talent oriented creativity-based business model. Microsoft's culture is centred around innovation and overall efficiency coupled with effectiveness. Microsoft encourages entrepreneurship and innovation among the employees, which has given way to one of the most fundamental traits in the Microsoft culture which makes it so powerful in competition, the ability to make mistakes (Carter and Greer, 2013). The employees at Microsoft are encouraged to make mistakes while going for innovation. Microsoft firmly believes that innovation can be born from the tiniest of mistakes. Also, another important variable of Microsoft's culture is the diversity of the workforce. Microsoft employs workers from all racial backgrounds, regardless of their religious, gender or any other orientation. Such a culture of multicultural blend helps maintain the freshness of thought with the tinge of innovation at Microsoft (Clarke, 2011). Microsoft places a strong importance on maintaining diversity and making sure that the workforce remains fresh and motivated.

The people of Microsoft are often labelled as belonging to a very particular category. All of them are highly motivated, all of them are passionate about changing the world with their work and all of them places an important emphasis on money (Felfe and Schyns, 2017). Often the workforce at Microsoft is divided into two main segments, the people working to

design the software and the people in charge of the business relations. There is an emphasis on understanding how the people at Microsoft view their work and how they can be motivated.

All these variables, people, culture, structure factor in the making of the organizational performance of Microsoft. Microsoft's founder, Bill Gates, often attributes the early success of Microsoft on solely the quality of people who came to work there. He said that those people defined the culture that will define the present organizational culture of Microsoft. This culture, in turn, affected the organizational structure that will be built over time. Through the gradual evolution of Microsoft, the culture has become more and more refined, but the core soul of the innovativeness, flexibility remained true and steadfast (Melkman, 2015). This innovative culture has enabled the company to remain relevant over the years, survive the dot-com bubble and continue to thrive. In the software industry, innovation and flexibility are the core elements for survival. Microsoft has continued to build up its empire of software and became more and more sophisticated in its business dealings.

### **Nature of managerial works at Microsoft**

The managers at Microsoft perform some very routine-looking set of works. They do the planning, they organize the resources of the company to achieve organizational goals, they lead the workers to achieve those goals in the most effective and efficient ways possible and enforce control to make sure the process is going smoothly. But in reality, this simple-sounding issue spans a much larger and complex work of leadership. When planning for the future, the manager has to take inputs from the team he or she is going to lead. This results in a more in-depth analysis of the situation and facilitates the flow of more ideas through brainstorming. Microsoft managers often play the role of an organizer of brainstorming sessions designed to bring the most out of the thinking of the workers and the management. The organizing function is often defined as the pursuit of team space, procurement of materials and separate department formation at Microsoft (Scott, 2016). The employees, along with the manager form, independent multicultural and multifunctional teams which work independently to solve a particular problem that has been selected by them or assigned to them. The leading function is defined by the managerial oversight of the work and motivating the workers to do their best. In, Microsoft, the managers often play the role of the indirect influence rather than actively taking control of the team dynamics. This is designed to provide the teams with maximum independence to make sure that the workers give their best and extract maximum job satisfaction out of it (Somech, 2014). The control system is

actively overseen by the manager to make sure that the team do not deviate from the original objective and remain productive and beneficial for the firm. At Microsoft, the control system is often the most important part of the job of the manager.

### **Managerial roles and effectiveness of the leadership at Microsoft**

There are several roles managers have to play in Microsoft. Managers have to play interpersonal roles in any type of organizational environment or teams. They have to be the figurehead of the team and perform duties as such. They often serve as the person in charge of representing the team in any situation. They are also the leaders, therefore, responsible for the motivational and directional aspects of the workers (Bohn, 2017). The managers are also the link of the team with the higher-ups, which makes the manager serve as a liaison person with the people separate from the group.

The manager plays some informational role as well. He performs as the monitor of all the information inside and outside of the team. Sometimes, in this close competition environment of the software industry, some precautions have to be taken to make sure that the product information stays secret and do not leak out to the competitors (Carter and Greer, 2013). Managers, as well as employees, are held liable for the safeguarding of the information from enemy hands. The manager also plays the role of information disseminator. He or she receives a wide variety of information from various sources and has to provide the information to the target group as he or she sees fit. The manager is also the spokesperson of the team. He or she is supposed to represent the team in front of higher management.

The decisional role of the manager involves being an entrepreneur. He or she takes calculated risks to make sure the team achieves the objectives assigned to it. The manager sometimes also has to work as a conflict resolution manager to make sure that the work environment in the organization remains strong and productive (Clarke, 2011). The manager has to allocate resources according to the needs of the team and sometimes also have to work as a negotiator both within and outside of the group.

Several variables influence the effectiveness of leadership in any given organization. The managers have to do traditional managerial works, communication with his or her employees, do networking with other managers and other people in or outside of the organization and do human resource management works (Felfe and Schyns, 2017). Effective managers spend a lot of time communicating with the employees regarding organizational directives. They spend much time to make sure that the organizational directives reach clear to the workers without

leaving room for problems (Melkman, 2015). They also spend a lot of time doing human resource management works that involve motivating, staffing, managing conflict and similar issues. It is therefore clear from this situation that an effective leader will have to make sure he or she has a strong communicative basis with the employees under his or her leadership and is devoted to the management of humane variables that come into the everyday workplace.

### **The behavioural approach to management at Microsoft**

Management and leadership have a lot of schools of thought. There is no consensus regarding the best way to manage and lead people. At Microsoft, where innovation and flexibility in management and leadership take precedence, it is easier for the founders come across the practices that emphasize specifically those variables (Scott, 2016). In this manner, Microsoft became a strong proponent of democratic leadership.

Democratic leadership is when the manager makes use of feedback and inputs from the employees extensively to make decisions and the employees are given considerable power in the decision making process. The managers at Microsoft are expected to listen to the workers and what they have to offer. This has created a unique culture at Microsoft where employees are expected to provide inputs and feedback and are required to stick to consensus decisions. The company believes in workings of free will and therefore encourages the workers to come forward with their ways of doing the things (Somech, 2014). Microsoft founder Bill Gates once said that he likes to assign lazy people to do a tough task as they are more likely to find an easier way of doing that (Clarke, 2011). This trust in employee strength, coupled with good availability of organizational resources, made Microsoft a powerful force to be reckoned with in the software industry.

The leader is supposed to be considerate to the employee needs and demands while bringing in structure in work processes only when it is needed and it will bring the team closer to achieving their tasks. The leader is supposed to win and retain the trust of the subordinates under him or her. This trust is often influenced by the subordinate people's propensity to trust, but most often the employees place trust in a leader who can do the work, has the benevolence to look after the workers and who practice strong integrity when it comes to organizational works (Felfe and Schyns, 2017).

## **Conclusion**

Microsoft has been at the forefront of the software industry for more than two decades. The company has been able to achieve exceptional success because of its carefully chosen human resources strategies and leadership choices. Through keeping an eye on the existing trend and future possibilities, the company can certainly remain strong in the coming days.

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