

Find the answers for the questions

## **HUMAN RESOURCE MANAGEMENT IN MICROSOFT**

### **Chapter 1      *Human Resource Management in Microsoft***

1. What is leader's philosophy from the beginning?
2. What is the hiring strategy?
3. How many levels of selection are there in Microsoft?
4. How many people are employed there?

### **Chapter 2      *Recruitment and Selection – later stages***

1. Name a few hiring methods used by Microsoft experts.
2. Who is a „hard-core“?

### **Chapter 3      *Satisfaction and Loyalty***

1. What steps they did in Microsoft to meet employees expectation?
2. Name special benefit available in Microsoft.
3. Coaching was required by employees. What is the main profit of coaching for employee and employer both?
4. What monetary reward were used to support loyalty and performance of employees?

This review of the text about Microsoft you can use as a model of your seminary paper.

## **HUMAN RESOURCE MANAGEMENT IN MICROSOFT**

Microsoft is one of the wealthiest and most successful companies in the world. Even more important, from a human resource perspective, is the fact that Microsoft is an employee-driven organization. While other organizations base their success on better manufacturing techniques, or better technology, Microsoft's success is based on the effectiveness of their employees. Essentially, Microsoft value their staff and realize the importance of their staff. This focus on employees may, in the future, expand to all organizations. Microsoft then, is worth studying as an example of best practice in human resource management.

This study will focus on Microsoft's employee management methods including how they recruit and how they retain their staff. By looking at how Microsoft operate, there is opportunity for other organizations to consider how they manage their employees and to consider whether their staff are also valued.

Firstly, the study will present information on the human resource practices at Microsoft. Secondly, the study will analyse these practices with a view to showing why they are effective.

### ***HUMAN RESOURCE MANAGEMENT AT MICROSOFT***

Recruitment and Selection - In the Beginning Bill Gates is the driving force for Microsoft and from the beginning of the company he believed in recruiting extremely intelligent staff, favoring intelligence over experience, "his preference for hiring extremely intelligent, not necessarily experienced, new college graduates dated from Microsoft's start-up days, when he and cofounder Paul Allen recruited the brightest people they knew from school - their 'smart friends'" (Bartlett 1).

From the beginning Gates realized that his employees were his greatest assets, shown by his quotes including "it's the effectiveness of our developers that determines our success" and "take our 20 best people away, and I will tell you that Microsoft will become an unimportant company" (Bartlett 2). Microsoft's recruitment strategies reflect their philosophy. They sought the smartest and the most driven people and did so aggressively, as Steve Ballmer says "whenever you meet a kick-ass guy, get him" (Bartlett 2).

The recruitment strategies in the beginning included sourcing people from the elite educational facilities such as Harvard, Yale, MIT, Carnegie-Melon and Stanford. Microsoft recruiters would visit these universities "in search of the most brilliant, driven students" (Bartlett 2). Experience was not required and it was in fact, preferred that new employees had no experience.

Once selected, these students had to undergo a thorough selection process. The first stage was an interview "by at least 3, and sometimes up to 10, Microsoft employees" (Bartlett 2). These interviews were designed not to test knowledge, but to test "thought processes, problem-solving abilities, and work habits" (Bartlett 2). Technical interviews are described as being focused mainly on problem-solving, with interviewers posing problem scenarios. To test the composure of the candidate and also their creative problem-solving skills, unexpected questions were also included. Two examples of these questions given are "how many times does the person use the word 'the' in a day" and "describe the perfect TV remote control" (Bartlett 2).

After the interview, interviewers would e-mail their decision on the interviewee with the words 'Hire' or 'No Hire' and comments on the problem area, the future interviewers would then use these comments to further investigate whatever issues there were with the interviewee (Bartlett 3). This interviewing process was essentially a 'make or break' one, where interviewees were pushed to their limits, if they thrived and survived this meant they would also thrive and survive in the Microsoft working environment. After this series of interviews, if the majority of interviewers were favorable the interviewee would finally meet with their manager and this manager would make a final hire/no hire decision. The very last step is an interview by someone outside the hiring group, this person is independent and so unbiased in their opinion. This person is meant as a final check that the person is a good Microsoft person and also to prevent managers from hiring the wrong people because they have a need to fill a certain position (Bartlett 3).

The importance of hiring the right people is also shown in Microsoft's 'n minus 1' strategy which means less people are employed than are required. This policy reinforces that hiring the right people is more important than hiring just to fill a position.

### ***Recruitment and Selection - Later Stages***

Microsoft retained the same basic principles as they expanded but had to change their methods when the number of new employees required could no longer be sourced only from universities. The recruiting practices continued to be active rather than passive, with Microsoft 'head hunting' the best staff. These staff were found, monitored and recruited from other companies by over 300 recruiting experts, "once someone had been identified as 'hard core' - Microsoft's euphemism for the kind of highly talented and driven people they sought - the pursuit was relentless, if subtle. Regular telephone calls at discreet intervals, conversations at industry conventions, invitations to formal dinners - recruiting team members employed every means possible to keep the lines of communication open" (Bartlett 9). Microsoft also took advantage of breaking opportunities such as company layoffs, one example is with the AOL down size, "when we heard AOL was downsizing Netscape's operations in the valley, we assembled a team to identify the best talent and go knocking on doors" (Bartlett 10). Employee

### ***Satisfaction and Loyalty***

Microsoft attempted to cater to the needs of its employees from the beginning. Recognizing that the majority of employees were just out of college, the Microsoft company operated like a campus. The former director of human resources describes this saying, "how do you make young kids who had never been away from home - or only as far as college - comfortable? We wanted to keep the atmosphere at work one they were somewhat familiar with, and also make sure it gave them a sense of social belonging" (Bartlett 4). This environment also included every employee having their own office they were free to decorate as they please and the provision of subsidized food and drink (Bartlett 4). Employee satisfaction was also afforded by the opportunity for growth, "development also occurred by encouraging horizontal transfers, and employees were encouraged to develop themselves by switching jobs" (Bartlett 6).

It is noted that few employees leave the organization by dismissal, with the majority leaving voluntarily (Bartlett 10). Concern over high attrition rates in the 1990s led to surveys to find the cause of the problem and for changes to be implemented. One of the major changes was the requirement for top management to coach lower levels, assisting in their development by doing so. This became known as 'turning over the keys' (Bartlett 11). This is important because it allows people an opportunity to develop further. Also critical to the changes was a new focus on empowering people and of defining clear goals. These changes were all designed to increase employee satisfaction and commitment to the organization, while maintaining the same spirit the small company began with. Employee Rewards

In the early days Gates was a firm believer that employee ownership was critical in raising motivation and employee retention, in lieu of high salaries he offered employees equity (Bartlett 7). Once listed on the stock exchange, this continued, with the company offering stock options to employees based on performance.

Critical to this is the link between individual performance and reward, with semi-annual performance reviews linked to pay increases, bonus awards and stock options (Bartlett 7). Performance goals employees were measured against were specific measurable ones, these performance objectives shortened to SMART: Specific, Measurable, Attainable, Results-based, and Time-bound (Bartlett 2). This formal review system also included more common evaluations by managers to ensure no unexpected deviations. The system also included the process of employees evaluating themselves, these self-evaluations then being sent to the manager who does their own evaluation. The employee and manager then meet to discuss the review (Bartlett 8). Stock options awards are based on whether the employee is considered a long-term asset of the company and awarded on this basis. This is an important symbol of Microsoft's commitment to retaining good employees.

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