

"product analysis : pond's teens" essay

[Business](#), [Industries](#)



BACKGROUND In the late 1990s (1997 & 1998) Microsoft are losing their senior level position employees. The attrition rate is surprisingly close to the industry average (15.3%). Just six weeks before the Wall Street Journal article was published in summer 1999, Ballmer (the President and COO of Microsoft) had announced a package of changes that increased the salaries, more frequent promotion and softened the working pressure which had been the company's culture since it was founded.

Many of the senior managers argued that the working pressure was the vital role both to the company's survival and to the development of its employees. With this kind of working pressure it is proven that the company turnover was much lower than the industry norms, the company received 15,000 job applicants a month and the stock price increased every year. To some employees, this indicates that the system was not broken and should not be altered.

OVERVIEW • Recruiting Process Microsoft Company prefers to hire extremely intelligent, brilliant, work hard, person who gets things done and coming from reputable university not necessarily experienced. For Gates, acquired knowledge was less important than "smarts" - the ability to think creatively; and experience was less important than ambition - the drive to get things done. For the first step of recruitment process, each candidate was interviewed by at least 3 and sometimes 10, Microsoft employees. Some managers posed scenario with key information missing, then they might throw in an oddball question, meant to test the candidate's deductive reasoning, creative problem solving, and composure. If a candidate can not answer at least in 30 seconds, the interview was effectively over, and

whether they were incapable of creative problem solving, they were not an appropriate candidates.

Then candidate will be asked unfamiliar but practical problem. As soon the interview was over, each interviewer would send e-mail to all other interviewers, starting with the words " Hire" or " No Hire", followed by specific feedback and suggestions for follow-up and there was no " gray area", means that they just have two decisions between Hire and No hire. The purpose of the interviews was to push the candidates until they failed, to get a full understanding of both their strengths and their limitations. After all the input was in, the hiring decision had to pass two screens, and least interview with prospective manager was scheduled. Based on his or her own impressions and the comments from other people in the group, the prospective manager then made the hire / no hire recommendation. The managers believed that in Microsoft culture and committed to making sure that we hire only those who are going to be good Microsoft people, not just good people for specific jobs. Gates and Ballmer (COO of Microsoft Company) insisted on hiring fewer employees than were actually required to carry out the work, that's why they called with " n minus 1" theorem where n was the number of people really needed.

- Work Environment Work environment in Microsoft known as The Caffeine Culture. Anything about caffeine is free. In 1986, Microsoft had a new office that build in Redmond, 10 miles from Seattle. This new office was called campus. The campus included cafeteria where is the food prices subsidized by the company.

In Microsoft, every employee have their own office because the company respect young kid (people that just out from college). Every employee has 9' x 12' office and they can decorate their room to make more comfortable. Having a comfortable work environment was recognized as being essential to morale and mental health. Movement to the new campus brings Microsoft to be a successful company, but the early values still not change. There were: salaries were modest, employees traveled coach class, and there were no status symbols such as executive dining rooms or fancy office furniture. Microsoft has a philosophy, one of them is " n minus 1" that mean the work not only focus on the core and priority issues but also that everyone would be stretched and challenged.

The culture attracted those comfortable with 14 hours days and working weekend. Gates continuing restructures the organization into small units with 30 to 200 people work together in work groups with responsibility for a product, project, or program. In 1980, Gate managed much of direction setting, coordination, and control. The company has recruited technical experts. In 1983 and 1984," ladder levels" were established to assist manager in recruiting developers and in offering salaries based on skill level.

In Microsoft, there were 12 levels on the nonexecutive ladder, from clerical positions to senior manager or technical expert. Development also occurred with horizontal transfer that encourage employees. Employees were encouraged to develop themselves by switching jobs in every 2 or 2, 5 years. New hires must realized that they must responsible to learn from a whole range of experienced people including team leads, experts, and particularly

their formally appointed mentors. Gates also form a free-market process of allocating scarce talent by moving key people from one project to another, not only to influence the project's outcome, but also to accelerate the training and development process. •Relationship Between Problem Definition and Talent Management Within changing the core competencies of the company become “softened pressure” or “softened core” culture (such as: sweetened salaries, allowed more frequent promotion, and more freedom to act with bureaucracy), it decrease workforce vision, then it will decrease creativity and productivity. Relationship Between Problem Definition and Succession Management Within changing company's core competencies, with the same workload in each employee, it needs more time to accomplish the job because of decreasing work productivity.

It means that employee need more time to get promotion. •SWOT (Strengths, Weakness, Opportunity, Threats) STRENGTHSWEAKNESSES 1. Good recruitment policy and process. 2. The culture of Microsoft, spirited many young employees to work hard.

3. Microsoft provides an atmosphere at work one the employee were somewhat familiar with, and makes sure it gave them a sense of social belonging. . The ‘N minus 1’ staffing philosophy creates challenging work assignments and tasks. Microsoft believed that individuals were best developed through challenging and engaging work assignments.

5. The policy of motivation and retention. Microsoft developed a good performance evaluation procedure inside of company and gave high salary and long-term stock option incentive.

6. The key employees were given company's shares, this could raised motivation and retention. 7.

Microsoft is using ladder system parallel, there's a formal career path. 8. The image of Bill Gates as the leader of the Microsoft. 9. The company is growing rapidly. 1. Turn over rate increased, especially at the senior management level.

2. " N minus 1" staffing philosophy, they hire fewer employee than were actually required to carry out the work, so the work assignment could be overload. 3. Salaries are moderate and there's no status symbol. 4. Limited cross-unit coordination, they forgot about being efficient. 5.

The lack of professional management. 6. At some point, the employees left because they felt that the challenge had run out.

7. The changing of the company culture were creating some problem and concern, mostly coming from the top management level. 8. Less working hour decreasing productivity hour and creativity of employee.

OPPORTUNIESTHREATS 1. Become the leading company for software industries. 2.

Good relationship between microsoft and educational institutions for employee recruitment. 3. Software distribution around the world. 1. Another software company made good talent management so another company have more creative people than microsoft. 2.

Large number of software piracy because software price quite expensive. 3. Open source software is a competitor of copyrighted microsoft software because everybody can develop software.

4. Leaking company secrets by ex-microsoft employee. **PROBLEM DEFINITION**

The problem that occurred based on that situation is the company's sustainability could be compromised because of losing dozens of their experienced top management employees and changing the company's culture that may affected the current employees working motivation.

SOLUTION Microsoft maintain its " hardcore" working ethic because it is The Microsoft's culture since the beginning of the company that makes them survive and eveloped all this years. One of the company's great success is because of their ability to motivate its employees by using " the n-1 formula".

CONTINGENCY PLAN Develop the management capacity to transfer the new package of changes (that Ballmer already announced earlier) from the top level management all the way through the fresh recruitments. And also re-hire the resigned senior management as a part time consultant to supervised the company's core competences during the transfer of the new package of changes.