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New talent management tools and techniques: the Microsoft case

CARLES GRAU

In our current economic and social setting, intellectual capital, people and good teamwork practices are becoming a key driver of business competitiveness. More than ever before, talent of our employees is the main factor that allows us to make a difference vis-à-vis our competitors while meeting new targets. Dealing with and developing talent of our human teams is therefore paramount. At Microsoft we have a whole range of tools and techniques that have allowed to develop talent in our teams in an extraordinary way and achieve a very low rotation rate related to the rest of the industry, with 2.9% only.

For the second consecutive year we have been nominated as the best company with 500 to 1000 employees to work in Spain, according to the Great Place to Work Institute ranking. This would not have been possible without a state-of-the-art development of very useful tools and best practices to attract, develop and retain talent, which we will try to describe in the following.

A special climate favoured by an inspiring mission and values

The «magic» of business success is often due to the ability to create a climate that allows to attract the best professionals, enabling conditions to find a good balance between hard work and enjoying success as well as a climate that makes it easier to develop exciting professional careers.

At Microsoft we take special care of these framework conditions enabling a positive climate. One of the key drivers of such a climate is to share values inspiring and fostering a new teamwork style based on the following principles:

- ▶ Integrity and honesty in all we do
- ▶ Open-mindedness and respect towards others, encouraging diversity at work
- ▶ Assuming inspiring challenges
- ▶ Passion for what we do for customers, collaborators and technology
- ▶ Accountability for our commitment, targets, the quality of products and services and our customers, shareholders and employees
- ▶ Self-criticism while engaging to achieve excellence and continuous improvement

The «magic» of business success is due to the ability to create a climate that allows to attract the best professionals.

Passion for what we do at Microsoft is a key element to understand our commitment and passion employees bring into the project. Being part of a leading company in the software industry, investing more than seven billion dollars a year in research and development, generating 11 euros for

each euro of own income with licences for the ecosystem and the local economy made of collaborators, creating a great impact in areas such as education and access to new technologies for disabled persons, makes employees give their best while creating a great responsibility both in them and the company.

This working environment fosters flexibility, contributes to get the maximum out of people and increases creativity.

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It is these values shared by our employees that allow us to attract and develop specific professional profiles with the exciting mission of contributing to develop products and services allowing people to give their best.

Together with these values we have developed a set of tools, human resource policies and programmes to attract great professionals. These tools are a key element to have efficient talent management, but it is the use of such tools by our managers and employees what creates competitive advantages.

We offer our employees competitive working conditions and social benefit packages that are usually among the upper 25% of best labour conditions on the market. But we are not known for nor do we encourage speculative payment conditions. It is the rest of conditions, those besides mere salary, that allow us to attract excellent professionals (working environment, professional opportunities, conciliation framework, retirement plan, etc.). Among these concepts that are more appreciated by our employees, professional opportunities for all wishing to make progress stand out. After a cycle encompassing a three to five-year professional period, we try that our engaged employees are given the opportunity of new challenges, either at the same Spanish subsidiary or

internationally – in Southern Europe, Europe or the US corporation. This has allowed a considerable number of our best executives to meet international challenges while sending out an exciting message to the organisation for all those wishing and expecting to develop – we use to say internally: «the sky is the limit».

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Equal opportunities is also a key element, so we try that men and women have the same development opportunities. Conciliation between job and family in its turn is another item we try to develop carefully, with a whole set of measures and tools that contribute to enjoy this complex balance between professional and family life. Among these tools and measures stand out:

- ▶ 28 working days of holidays.
- ▶ Three working days available for volunteering in connection with corporate social responsibility (digital literacy, work with NGOs, etc.). Encouraging and fostering volunteering projects among employees creates a great climate to contribute to both the success of the business project and the environment around us.
- ▶ Flexible office model with tools encouraging telework (3G communications card for portable devices, mobile phone with access to e-mail and corporate tools, home ADSL line, etc.).
- ▶ Teletraining. Many jobs require continuing training (up to 10% of time in the case of technical jobs) and most courses can be done online from any place at any time.
- ▶ Regular leisure activities and employee meetings to enjoy moments of joint leisure, acknowledge extraordinary contributions and meet exciting targets.

- ▶ Possibility of enjoying a sabbatical year for those employees with more than ten years at the company.
- ▶ Aid for sports and/or gym activities to encourage balance *mens sana in corpore sano*.

Once a year we do a working climate satisfaction enquiry –called MS Poll– among our employees on a voluntary and anonymous base, which allows us to assess them and identify suggestions for continuous improvement.

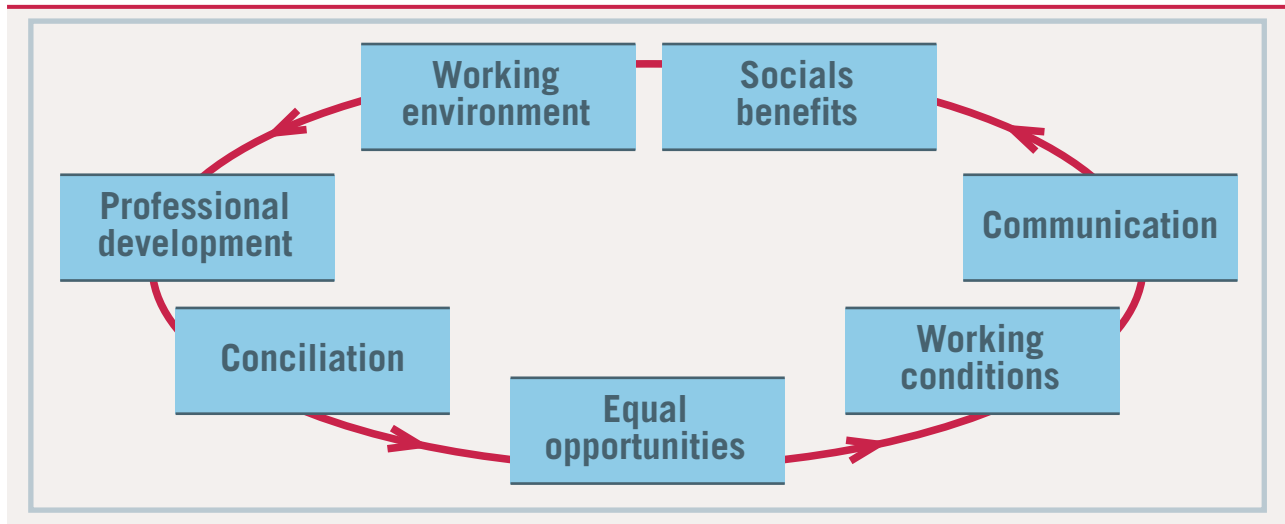
Transparency as a key action driver

From within the techniques to foster a special working climate, transparency and continuous communication stand out.

Any new professional opportunity in the company is published on the HR website and all employees can subscribe to a monthly e-mail service where all professional opportunities both in the Spanish subsidiary and internationally are posted. This encourages that those with a drive to progress can apply electronically and immediately for any vacancy. The selection and decision-



- ▲ The good working climate is one of the most appreciated things at Microsoft.

Chart 1. An environment fostering talent

Source: Microsoft

- ▲ Being part of a leading company in the software industry makes employees give their best while creating a great responsibility both in them and the company.

making process is very rich as most positions have more than one dependency line, so at least two people apart from Human Resources intervene in any process. No vacancy can be allocated before having been previously published on the HR website for a reasonable time to make sure that all internal candidates wishing to apply actually do so. This enriches the process and fosters equal opportunities.

From within the techniques to foster a special working climate, transparency and continuous communication stand out. Everybody has access to relevant information.

The whole corporate structure is made public and accessible for employees (through a tool internally called HeadTrax) and details of employees allocated by manager or department, functional dependencies, etc. are given. This makes it very easy, for instance, to locate a colleague of the international organisation within the structure.

All employees with a variable salary, which are the majority, have tools at their disposal to see at any moment their sales results and their quarterly remuneration based on their variable goals (through a tool internally called Information Bridge).

Besides, employees have a tool that allows them to see at any moment what the total estimate of their overall remuneration is, a tool (internally called Deal Calculator) breaking down payment into its different items such as fixed salary, variable salary and assessment of social benefits (life insurance, health insurance, etc.), not including the assessment of company shares or stock options. (The company encourages through a share programme that employees become also shareholders under favourable conditions).

Finally, one aspect encouraging transparency is continuous communication at corporate level as well as in the Spanish subsidiary and the organisation in Catalonia. Our president, Steve Ballmer, and the CEO, Kevin Turner, hold quarterly corporate meetings where they inform about the results, strategies and market situation. It is

possible to attend such meetings in person, through videoconference or entering online through remote access at any time (through registration tools for such meetings called Live Meeting), which allows access to relevant information for everybody.

Quarterly company meetings are also held at local level to share information, and they are also used to do training sessions.

Related to the office in Catalonia, we hold team meetings every four to six weeks (called Open Meetings), where we go through the details of the results obtained in Catalonia, the challenges for the following months, strategic and investment initiatives, vacancies, etc. so the whole staff is well informed about the development of the company.

Performance assessment and definition of targets

Within this culture and new working environment, a key element is compensation directly related to recognition and career development, which will obviously depend on the degree of targets met, not on the number of working hours nor whether they have been spent in the office or not.

The process to define targets is done annually in a cascade process starting from senior management, adding in target suggestions from employees in line with their responsibility, out of a corporate command board we call Scoreboard that includes items such as sales results, market penetration, rates in customer satisfaction enquiries as well as other quantitative and qualitative targets. The fact that all employees have targets in line with the same command board contributes to ensuring a better coordination and fosters teamwork.

Everybody is responsible for introducing their annual targets into an online tool called Performance@Microsoft for approval by their manager and later reviews. The targets need to be ambi-

tious and exciting, but also measurable and achievable. Having electronic tools for performance management allows a follow-up of the career results of employees with regard to any organisational change.

Target definition is done annually in a cascade process starting from senior management. The fact that all employees have targets in line with the same command board contributes to ensuring a better coordination and fosters teamwork.

At the end of the fiscal year, and taking the command board results as a base, employees do a self-assessment they enter into the performance management tools (Performance Review in Performance@Microsoft) so their managers do an assessment and identify areas for improvement. During these assessment periods, managers can ask colleagues of a particular employee (usually those working close to that person) as well as other managers or employees about their view of the employee's performance and their possible areas for improvement, which enables a 360° analysis of that person through a very enriching and simple process.

Also once a year, employees participate anonymously in a voluntary manager assessment enquiry (on their direct manager and their manager's manager) that allows to find out in how far we have a solid management team with best practices (internally called Manager Feedback). The results of this anonymous enquiry are some key factors for the career development of senior managers, and employees can of course fill out the enquiries at any moment, from any place where they have access to the corporate network. In the fiscal mid-term, employees have a meeting with their managers to talk about their professional career and aspirations, with an analysis of possible future scenarios and training plans (called Mid Year Career Discussion), focusing basically on analysing career opportunities but not performance or results.

The importance of one-to-one meetings

Perhaps more important than annual meetings to set targets, assess the performance or analyse professional and career development, at Microsoft there are monthly individual meetings between each manager and their employees, called one-to-ones, which usually last approximately one hour and allow the employee to ask for advice, update their manager or deal with any subject of their interest. For managers, these one-to-ones are often an additional opportunity to state how our employees feel, what concerns them and how they do with their job, to give them advice and sometimes to take decisions.

The seriousness, regularity and richness of such monthly meetings are key items for an optimal relationship and coaching among employees. It is important to prepare one-to-ones well and to follow up identified actions, both by the employee and by their manager.

Continuing training and career development

Without any doubt, the technology industry is among the most competitive and subject to many changes forcing continuing training of employees. At Microsoft we have developed a versatile and flexible online training platform that helps us set up customised training plans and ensure good knowledge at our organisation, adapted to the changes and challenges we have ahead at any time.

At Microsoft, customised training plans adapted to the changes and challenges occurring anytime have been set up. It is up to managers to look after their employees to reach a degree of achievement in their regular training.

According to their work, every employee has access to a Role Guide and can plan a Training Plan following their availability and agenda. Most courses are short, online courses (roughly one-hour knowledge «pills») with a final exam with questions to test knowledge on the subject requiring a minimum 80% of correct answers to obtain a certification. The degree of achievement in quarterly training is a goal of the whole organisation. It is up to managers to supervise and contribute to their employees reaching a degree of achievement in their regular training (Field Readiness Index, FRI) and allocate time to do this training.

At the Mid Year Career Discussion, the online training plan and live training are key subjects, and actions are promoted to line up training of employees with their career development and their possible next step within the organisation.

Once the areas for improvement among our employees are identified, it is possible to allocate them «internal mentors» having the most developed abilities and knowledge to help a specific employee. This is possible thanks to an

Assessment and career plans

- Performance Review / Commitments
- Mid Year Career Discussion
- Manager Feedback
- MS Poll



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- ▲ Within this culture, a key element is compensation related to recognition and career development.

employee-mentor crossing tool that allows adequate crossing between the area of knowledge and the ability to be developed (MyMentoring@Microsoft) on one side and people or managers having such abilities and enough time to do mentoring on the other.

Tools and best practices to improve productivity

Within all this context of a new working model, the key is not working many more hours but making sure that those hours spent at work are really productive.

At Microsoft we try to make an intensive use of teamwork tools that allow us to be more productive, among which the following stand out:

- Use of instant messaging as an addition to e-mail, with live information about the colleagues we are usually working with and the chance of having video or audioconferences at any time, which often allows to cut on live meetings and thus save much travelling time and related expenses. The experience provided by such virtual meetings is remarkable when new videoconference devices with 360° pictures called Round Tables are available, which allows to experience a virtual meeting that comes very close to live meetings.

Once the areas for improvement among our employees have been identified, it is possible to allocate them «internal mentors» having the most developed abilities and knowledge to help a specific employee.

- Advanced search tools helping to find quickly documents and information on our computer or the corporate intranet.

- Teamwork environments that allow to easily create internal portals to share information, project or customer data, avoiding misuse of the e-mail and a lack of control in managing versions of different documents.

- Mobile devices with access to corporate applications, allowing the mobile phone to have almost the same functions we have with desktop or portable devices, obviously adapted to the limitations of the mobile device keyboard and screen.

All in all, the key is encouraging teamwork, trying at the same time to foster high-performing teams instead of concentrating on individual productivity.

Conclusions and recommendations

The success of Microsoft comes partly from its strategy and products, but it would have never been possible without a human resource

The screenshot displays the 'Role Guide' web application, powered by SMSG Readiness. The main section is titled 'Learning Roadmap' for the role of 'Regional Market Development Manager'. It lists various courses with columns for Course Title, Assigned By, Delivery, Length, Availability, Completion By, and Status. The courses are categorized into 'REQUIRED' and 'RECOMMENDED' sections. The 'REQUIRED' section includes courses like 'FastStart Ask Campaign', 'FastStart Global Diversity & Inclusion', 'Workable Recovery 101', 'FastStart Internal Communication Plan', 'FastStart Info to SMSG Resilient and Effective', 'Compliance Overview', and 'Standards of Business Conduct'. The 'RECOMMENDED' section is currently empty. A note at the bottom states: 'There are currently no recommended courses planned for your roadmap. Additional training can be found via Search & Browse, located on the left navigation bar.'

- Every employee has access to a role guide according to their job and can plan a training plan following their availability and agenda.

management setting encouraging talent attraction, development and retention in an innovative way.

The new 21st century organisations will require new environments to attract and manage such talent, with key items such as:

- ▶ Fostering inspiring values shared by the whole organisation.
- ▶ Discipline of managers as a platform to meet shared targets and ensure coordination.
- ▶ Advanced techniques for continuing training and career development of employees.

- ▶ A working environment that allows to be more productive in teamwork while finding an adequate personal-professional conciliation framework.

The key is fostering teamwork and high-performing teams.

New tools play a key role in this environment and will so in the future, but they are just tools for people to enable a more efficient management of this talent. Best practices in using this kind of tools will become the key element of competitiveness for organisations.

CARLES GRAU

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General manager of Microsoft in Catalonia, Balearic Islands, Valencia Region and Andorra.

His professional career includes different managing positions in sales and marketing at technology-based companies such as Sun Microsystems, Hewlett-Packard, Accenture and Telefónica.

