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UNIVERSITY EXAMINATIONS

MAIN EXAMINATION

2021/2022 ACADEMIC YEAR

SECOND YEAR FIRST SEMESTER

**FOR THE DEGREE OF MASTER OF SCIENCE IN HUMAN
RESOURCE MANAGEMENT**

COURSE CODE: HRM 823

COURSE TITLE: BUSINESS POLICY

DATE: 27/01/2022

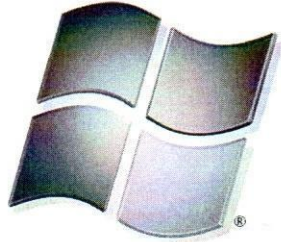
TIME: 9.00AM – 11.00AM

INSTRUCTIONS TO CANDIDATES

- ANSWER QUESTION **ONE** (COMPULSORY) AND ANY OTHER **THREE** QUESTIONS
- QUESTION **ONE** ATTRACTS **40 MARKS**
- ALL OTHER QUESTIONS ATTRACT EQUAL MARKS (**20 MARKS**)
- TIME ALLOWED IS **THREE** HOURS
- THIS PAPER CONSISTS OF SIX PRINTED PAGES

QUESTION ONE

Read the case study below and answer the following questions



Windows Vista™

Microsoft Windows, the Company's best-known product

This division produces Microsoft's flagship product, the Windows operating system. It has been produced in many versions, including Windows 3.1, Windows 95, Windows 98, Windows 2000, Windows Millennium Edition, Windows XP and Windows Server 2003. Almost all IBM compatible personal computers designed for the consumer come with Windows preinstalled. The next planned desktop version of Windows is Windows Vista. The online service MSN, the cable television station MSNBC, and the Microsoft online magazine Slate are all part of this division. Slate was later acquired by The Washington Post on December 21, 2004. At the end of 1997, Microsoft acquired Hotmail, the first and most popular webmail service, which it rebranded as "MSN Hotmail". Later in 1999 Microsoft introduced MSN Messenger, an instant messaging client, to compete with the popular AOL Instant Messenger. Along with Windows Vista, MSN is to become Windows Live.

Microsoft Visual Studio is the company's set of programming tools and compilers. The software product is GUI-oriented and links easily with the Windows APIs, but must be specially configured if used with non-Microsoft libraries. The current version is Visual Studio 2005. The previous version, Visual Studio.Net 2003, was named after the .NET initiative, a Microsoft marketing initiative covering a number of technologies. Microsoft's definition of .NET continues to evolve. As of 2004, .NET aims to ease the development of Microsoft Windows-based applications that use the Internet, by deploying a new Microsoft communications system, Indigo. This will address some issues previously introduced by Microsoft's DLL design, which made it difficult to manage, install multiple versions of complex software packages on the same system (see DLL-hell), and provide a more consistent development platform for all Windows applications (see Common Language Infrastructure). In addition, the Company established a set of certification programs to recognize individuals who have expertise in its software and solutions. Similar to offerings from Cisco, Sun Microsystems, Novell, IBM, and Oracle Corporation, these tests are designed to identify a minimal set of proficiencies in a specific role; this includes developers ("Microsoft Certified Solution Developer"), system/network analysts ("Microsoft Certified Systems Engineer"), trainers ("Microsoft Certified Trainers") and administrators ("Microsoft Certified Systems Administrator"), ("Microsoft Certified Database Administrator").

Microsoft offers a suite of server software, entitled Windows Server System. Windows Server 2003, an operating system for network servers, is the core of the Windows Server System line. Another server product, Systems Management Server, is a collection of tools providing remote-control abilities, patch management, software distribution, and a hardware/software inventory. Other server products include: SQL Server, a relational database management system;

- Exchange Server, for certain business-oriented e-mail features;
- Small Business Server, for messaging and other small business-oriented features; and

- BizTalk Server, for employee integration assistance and other functions.

Business culture



Microsoft's RedWest campus

Microsoft has often been described as having a developer-centric business culture. A great deal of time and money is spent each year on recruiting young university-trained software developers who meet very exacting criteria, and on keeping them in the company. For example, while many software companies often place an entry-level software developer in a cubicle desk within a large office space filled with other cubicles, Microsoft assigns a private or semiprivate closed office to every developer or pair of developers. In addition, key decision makers at every level are either developers or former developers. In a sense, the software developers at Microsoft are considered the “stars” of the company in the same way that the sales staff at IBM are considered the “stars” of their company.

Employees of Microsoft are expected to be comfortable with ambiguity in that they may not, for example, know with any degree of certainty when a product will ship, what it will be called, or what features will be included. Managers at Microsoft are expected to have a general attitude of long-term strategic and to be ready for any challenge from the competition or the market, and to keep in mind that being the largest software company in the world is not seen as a form of safety or a guarantee of future success. For instance, future competitors could rise from other industries, or computer hardware companies could try to become less dependent on Microsoft, or consumers could decide not to upgrade their software as often.

Within Microsoft the expression “eating our own dog food” is used to describe the policy of using the latest Microsoft products inside the company in an effort to test them in “real-world” situations. Only prerelease and beta versions of products are considered dog food. This is usually shortened to just “dog food” and is used as noun, verb, and adjective. The company is also known for their hiring process, dubbed the “Microsoft interview”, which is notorious for off-the-wall questions such as “Why is a manhole cover round?” and is a process often mimicked in other organizations, although these types of questions are rarer now than they were in the past. For fun, Microsoft also hosts the Microsoft Puzzle Hunt, an annual puzzle hunt (a live puzzle game where teams compete to solve a series of puzzles) held at the Redmond campus. It is a spin-off of the MIT Mystery Hunt.

User culture

Technical reference for developers and articles for various Microsoft magazines such as Microsoft Systems Journal (or MSJ) is available through Microsoft's MSDN site, short for Microsoft Developer Network. MSDN also offers subscriptions for companies and

individuals, and the more expensive subscriptions usually offer access to pre-release beta versions of Microsoft software. In recent years, Microsoft launched a community site for developers and users, entitled Channel9, which provides many modern features such as a wiki and an Internet forum.

Most free technical support available through Microsoft is provided through online Usenet newsgroups (in the early days it was also provided on CompuServe). There are several of these newsgroups for nearly every product Microsoft provides, and often they are monitored by Microsoft employees. People who are helpful on the newsgroups can be elected by other peers or Microsoft employees for Microsoft Most Valuable Professional (MVP) status, which entitles people to a sort of special social status, in addition to possibilities for awards and other benefits.

Corporate structure

The company is run by a Board of Directors consisting of ten people, made up of mostly company outsiders (as is customary for publicly traded companies). Current members of the board of directors of Microsoft are: Steve Ballmer, James Cash, Jr., Dina Dublon, Bill Gates, Raymond Gilmartin, Ann Korologos, David Marquardt, Charles Noski, Helmut Panke, and Jon Shirley. The ten board members are elected every year at the annual shareholders' meeting, and those who do not get a majority of votes must submit a resignation to the board, which will subsequently choose whether or not to accept the resignation. There are five committees within the board which have oversight over more specific matters. These committees include the Audit Committee, which handles accounting issues with the company including auditing and reporting; the Compensation Committee, which approves compensation for the CEO and other employees of the company; the Finance Committee, which handles financial matters such as proposing mergers and acquisitions; the *Governance and Nominating Committee*, which handles various corporate matters including nomination of the board; and the *Antitrust Compliance Committee*, which attempts to prevent company practices from violating antitrust laws.

There are several other aspects to the corporate structure of Microsoft. For worldwide matters there is the Executive Team, made up of sixteen company officers across the globe, which is charged with various duties including making sure employees understand Microsoft's culture of business. The sixteen officers of the Executive Team include the Chairman and Chief Software Architect, the CEO, the General Counsel and Secretary, the CFO, senior and group vice presidents from the business units, the CEO of the Europe, the Middle East and Africa regions; and the heads of Worldwide Sales, Marketing and Services; Human Resources; and Corporate Marketing. In addition to the Executive Team there is also the Corporate Staff Council, which handles all major staff functions of the company, including approving corporate policies. The Corporate Staff Council is made up of employees from the Law and Corporate Affairs, Finance, Human Resources, Corporate Marketing, and Advanced Strategy and Policy groups at Microsoft. Other Executive Officers include the Presidents and Vice Presidents of the various product divisions, leaders of the marketing section, and the CTO, among others.

(*Source:* Adapted from <http://en.wikipedia.org/wiki/Microsoft>)

Questions

- i. How do the business culture and user culture of Microsoft distinct from that of other companies? **(10 Marks)**
- ii. Discuss the product division structure of Microsoft. **(10 Marks)**
- iii. To what extent the corporate structure contributed for the strategic success of Microsoft? **(10 Marks)**
- iv. Examine the threats and weaknesses faced by Microsoft **(10 Marks)**

QUESTION TWO

- a. "The business of business is business." Critically comment. **(10 Marks)**
- b. The parties to corporate governance sometimes fail to follow the principles of corporate governance either voluntarily or involuntarily. Elucidate the external mechanisms used to minimize the inefficiencies of the system. **(10 Marks)**

QUESTION THREE

- a. A small scale industrialist recently attended a seminar on strategic management. She is quite enthusiastic but does not understand exactly how to use the SWOT analysis for her company. Act as a consultant and advise her on how to use the SWOT analysis. **(10 Marks)**
- b. You are the manager of a leading soft drinks company in your industry. You are charged with the task of implementing change. Discuss the actions you take to implement strategic control successfully. **(10 Marks)**

QUESTION FOUR

- a. Equity bank has been engaged in corporate social responsibility such as Wings to Fly. Discuss why some practitioners argue against companies engaging in corporate social responsibilities. **(10 Marks)**
- b. Discuss the structure-follows-strategy theory **(10 Marks)**

QUESTION FIVE

- a. With the aid of a diagram, explain what is meant by the dynamics of internal environment. **(10 Marks)**

- b. Examine the strategic disadvantages of Strategic Business Unit structure **(10 Marks)**