

Business Ethics Report on Microsoft Corporation

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Introduction

Companies that set them as the quality and make them recognize as a premium brand considers all the legal and social implication for their businesses. Profitable and leading companies comply best with the quality, ethical standards and social responsibilities. Ideally companies incorporate ethical strategies into their businesses that in the long run benefits in increasing consumer loyalty and demand, strengthens relationships with the suppliers. Believing in doing the right thing, respecting and enduring ethical guidelines is important in the cosmetic industry especially as consumers are now savvier in regard of the purchase and the product. Operating in the cosmetic industry increases the responsibility of being concerned of its impact on the society and one's health. The production processes of the company should be ensured as per ethical guidelines.

Strategies are made to promote the importance of professional ethics. Companies are investing in the production and dissemination of business ethics code. Because it is a subjective matter, each company understands and disseminates its different ways of values, however, the 'common sense' must always prevail. Another tip that the specialist gives is that even if most professions are governed by a Federal Council has its own Code of Ethics; the ideal is that every professional is guided by ethical conduct unwritten. So always remember that thoughtless or malicious attitudes of their employees in the corporate environment can harm, in addition to this professional career, your organization as a whole. Thus, part of the skills entrepreneur propagates ethics in their actions within their company, being an example of ethics and morality to its

employees. Microsoft is one the leading companies in the world who actually performs all the ethical responsibilities and makes a respectable reputation in terms of Ethics code of conduct.

Discussion

Microsoft is known as an employer that treats the employees like an asset not a liability. It has been observed that the motivation serves as a foundation for the increased productivity of the employees and motivation itself is the most significant contributor to the performance and productiveness of the employee. It can be said that it is a twist of fate that almost all the giant software companies in world have been constantly successful in keeping their employees motivated by the development of the teams to the highest degrees. In the Microsoft Corporation it is pretty common that employees work for 18, 14 or sometimes 10 hours a day, there are even people who stay in the office for almost weeks at times. As the Director of Microsoft describes a usual day at Microsoft, “Get up early, Go and work, then you feel hungry, Go and have some food, then again go back to work, and again you’ll feel hungry, have lunch and then again get back to work and work until you drop, Go back home and go to sleep.” (Abbott, et.al, 2003).

Microsoft is well known and in its neighboring areas it is known as “The Velvet Sweatshop”, which tends to mean that Microsoft has been successful in motivating its employees and is doing a great job in retaining them. Now the question arise that how has Microsoft been able to achieve such a high level of satisfaction and motivation? It is pretty simple, because Microsoft unequivocally gives huge importance to the morale. At Microsoft each group is assigned a morale budget which is allowed to be used for anything that the group desires. A few go for making T-shirts, buy movie theater style popcorn poppers, go for bowling or skiing, or plan up a cookout, and a few also rent a movie theater for the sake of private screening of the

movie they want. It's purely up to them that where they want to spend the money (Deci, et.al, 2001).

When Microsoft was engaged into the project of OS/2, the designated team requested a dryer and washer to be installed in their building for convenience, so that they won't go for laundry out of their home. Even though the project developers never got the dryer and washer, but the meaning was pretty clear that the team wants to work and avoid wastage of time. They never asked for the bigger offices or workstation, promotions or increments, but only for the removal of a roadblock which would enable them to improve their productivity and make them able to concentrate on the assigned project (Deming, et.al, 2006).

Microsoft has a strategy of giving away non monetary rewards like giving away team rugby shirts, team beach towel, mouse pads and t-shirts. It encourages having team days out and team dinners at upscale restaurants. The value of the giveaways and non monetary rewards might not be more than \$200-\$300 but they serve as high motivators and enable the employees to associate themselves with the company and take pride in being a part of company. The other strategy of motivation that Microsoft follows is not forgetting the personal life of software developers and their other employees as well. They are allowed to take their kids along if the circumstances exist that there is no one to take care of them at home, though rules and regulations are to be followed but the leverage was given to employees for their families, so that it may not affect their work (McClelland, et.al, 2005).

At Microsoft, motivating one's own self and the other colleagues is a part of culture. Microsoft doesn't follow an open practice of asking the members of team to be apart or sign up for any upcoming or new project, but it is not uncommon for an employee who expresses doubts about meeting a deadline to be asked if he or she has registered. Microsoft stays away from the

problem of false statements that sound management reasons, because the questions are not coming from the side of managers, rather they are coming from the people who are supposed to carry those projects and the people whom you are supposed to work with (Deming, et.al, 2006).

Subsequent to providing the open support for the encouragement of morale, Microsoft also appoint other ways and factors to boost the morale of the employees and encourage them in ways that wobble up the competitors as they are unable to even think about such things. At Microsoft the team leaders and managers' trade programming discipline, visibility of management, purity of the methods, control over the specification of the products and almost anything which serve as a benefit to keep up the morale high (McClelland, et.al, 2005).

Whatever anyone thinks about the policies and procedures adapted by Microsoft and its effects over the projects, performance of the employees and at the same time over the success of Microsoft, the statistics and success level of Microsoft speak out themselves in favor of the strategies that Microsoft follows and we will discuss their strategies and make recommendation to make themselves concrete in terms of Ethical Responsibility (Abbott, et.al, 2003).

Ethical Issues that Could Affect the Business

Ethical considerations may vary from country to country and among industries. Although companies policies should be in harmony with the appropriate behavior and what is right. Ethical principles may change over time. Ethical and legal considerations directly affect company's image and profitability like our company has been in torment for its ethical practices, directly affecting the image in the media. Hence company should not be engaged in such activities that may raise one of the issues. The following are the issues that could influence the business (Deming, et.al, 2006).

Environmental and Social Issues

Our company should consider factors of environment on the first place for sustaining ethical standards. It is important for the company to produce goods that are environmental friendly that do not harm environment in any case, starting from the production to packaging processes. Like using recyclable plastic in packaging is considered as ethical by the law. Thus, companies who don't abide by the law directly add in polluting the environment. Eventually it will result in decreased brand value of the company which leads to decreased profitability and consumers. Another factor that should be given consideration to is the excessive usage of energy and water (McClelland, et.al, 2005).

Fair Trade Law

Companies doing business ethically consider fair trade as one of the ethical standards for sustaining the positive impact in the industry and market. Like Microsoft work to improve conditions with their suppliers for the workers; most important ingredients used by them are acquired through community fair trade. Microsoft is recognized as a leading member by the Ethical Trading Initiative (Deci, et.al, 2001).

Political Issues

Some employees of the company may be involved in the political processes but it should be assured that they do not represent the company directly or indirectly. It may affect company's image therefore use of company resources like emails and usage of official phone should be avoided while engaging in political activities (Deming, et.al, 2006).

Health and Safety

A company on ethical grounds should comply by laws on health and safety at work to ensure precautions for a safe environment. Management should consider all possible measures for promoting a safe and healthy workplace such as a plan of action in case of emergency. Effectiveness of safety defines the quality of healthcare. Health and safety at the workplace is most important for the employees that directly support ethical components of the company (McClelland, et.al, 2005).

Diversity

The company should value the differences among the workforce and ensure not discriminating on any basis like age, religion, gender, racial or social preferences, disability, family background or sexual orientation. Non discrimination should be assured starting from recruitment to promotions, trainings and retirement as well. An ideal company like Microsoft promotes and supports a diverse workplace. Respecting differences of the workforce and valuing them contribute in promoting ethical standards and motivation within the company (Abbott, et.al, 2003).

Human Rights

Engaging in all the ethical activities directly affects the brand image, employees' commitment and motivation likewise going against the practices may destruct the reputation. A business which entrust ethical practices and human rights to be carried through strengthen the organization values and policies. Most of the companies like Microsoft consider human rights as

the code of ethics explicitly thus avoid child labor and other human rights abuse (McClelland, et.al, 2005).

Bribery and Facilitation Payments

Bribery is totally unacceptable for an ethical environment, whereas many of the organization's professionals are involved in such activities. Bribery directly leads to corrupted conduct of the business. Some of the countries ban facilitation payments too; which is referred to as the payments given to custom to speed up the lawful government procedures like issuance of permits and releasing goods from custom. According to the Bribery Act 2010, it is an offence for a company to be connected to any person, company or activities that propose to bribery. Corruption and bribery associated with a company may lead to extensive damage of reputation and penalties for not abiding by the ethical laws (Abbott, et.al, 2003).

Harassment and Bullying

Company's policy should address particularly that any type of activity or behavior that leads to harassment is totally unacceptable. Moreover any of the task or incident that may increase the chances of any harassment or bullying assault. The workplace should be safe and secure, promoting sense of security and ethics for the employees. Most of the companies incorporate zero tolerance policies in case of any sexual harassment (McClelland, et.al, 2005).

Microsoft Company Code of Ethics

Microsoft's Code traces six qualities to guide representative behavior: honesty and trustworthiness; energy for clients, accomplices and engineering; being "open and deferential

with others and devoted to bringing about a noticeable improvement"; an "eagerness to tackle huge difficulties and see them through"; being "segregating toward oneself, addressing, and focused on individual magnificence and change toward oneself"; lastly, being "responsible for responsibilities, results, and quality to clients, shareholders, accomplices, and representatives." (Abbott, et.al, 2003).

Compliance Officer

Microsoft's General Counsel Brad Smith also serves as the company's chief compliance officer. He has the responsibility of all ethical code sets in the organization (Deming, et.al, 2006).

Reporting

Microsoft has established a Business Conduct Line to enable employees and the public to report any breach of ethics. The Business Conduct Line can be reached at 877-320-MSFT (6738). Microsoft also allows for direct contact with its Office of Legal Compliance (McClelland, et.al, 2005).

Partner Conduct

The code undertakings Microsoft accomplices with securing Microsoft protected innovation, with social obligation to general society, and also ability, individual lead and being proficient in speaking to Microsoft around the world (Deming, et.al, 2006).

Consumer Sentiment

Whatever the feedback of Microsoft morals, and its past lawful inconveniences, (for example, antitrust claims in Europe), an overview by the Boston College Center for Corporate Citizenship in 2009 named Microsoft as the second most appreciated organization by U.S purchasers. Social obligation is stand out component of Microsoft's Code of Conduct (Deci, et.al, 2001).

Position Defense

Position defense is the strategy where in the brand or company occupies the most attractive space in the minds of the consumer and in no case intends to redirect from that position thus making the brand invincible. So Microsoft is the firm who has been listed in the World's Most Ethical Companies list 4 years in a row that a big achievement for this organization. Microsoft has already created the desire image among its consumer that they always perform all ethical responsibility and all ethical code of conduct (McClelland, et.al, 2005).

Conclusions

It can be concluded that the personal motivation is a driver of career development has become increasingly important for a variety of reasons. These include the fact that tasks, jobs, and occupations have become more flexible, less well-defined, and subject to increasing change both within organizations and across the span of a career that often involves multiple organizations. The role of internal motivation is critical in understanding individual behavior and decision making in these circumstances. At Microsoft Corporation following are the factors which serve as the motivation for employees: Non-Monetary Rewards, Open support for the

encouragement of morale, Prestige in being a part of organization, State-of-the-art facilities which competitors can't even think of. In general, employees want to work in organizations which value them and treat them as assets, provide them an environment where they can work according to their own conditions and they are not considered as a liability to the organization.

Ethical and responsible business practices are the foundation of any corporate authority practices. These practices are designed to promote the interests of shareholders, maintain checks and balances, strengthen accountability and foster responsible decision making. Microsoft works determinedly to address their obligation to serve the needs of the groups in which they live and work, and to deal with our business with the most extreme honesty. At Microsoft, they are focused on applying on engineering, inventiveness and shared soul to help understand basic social and natural difficulty and make pleasing open doors for people around the globe. While they are very grateful and highly appreciative of this honor and Microsoft be aware of there is more work to be made, and we entrust ourselves to ongoing development.

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