

Assignment:
Common MGT 360 Management Analysis Report
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Course: *MGT 360*
Title: *Management and Organizational Behavior (3 units)*

“Theory is about the connections among phenomena, a story about why acts, events, structure, and thoughts occur. Theory emphasizes the nature of causal relationships, identifying what comes first as well as the timing of such events.”
--R. Sutton and B. Staw

Goal:

The Department of Management strives to ensure that all students enrolled in MGT 360 are critical thinkers and strong writers. In essence, the Department wants all students to be able to demonstrate competency and efficacy in applying the principles of management and organizational behavior to the issues of a contemporary organization and its broader environment.

Objective:

In narrative essay format, I want you to address a business/organization case study using the concepts from class. The case text begins on page 3 of this document.

Building upon your knowledge from MGT 360, students should demonstrate their best understanding of management theory and the application of those ideas to improve the understanding of various issues. Building upon your skills from general education and lower-division core courses, students should demonstrate their best composition and technical writing skills.

For this assignment, each student should view herself or himself as a consultant to the Board of the Directors for the firm in the article—Microsoft.

Length:

This essay is to be no less than three full pages and in length and no more than four full pages in length. Other relevant formatting requirements (“style guide”) are linked from the course web page.

Deliverable:

This assignment is due on the date specified on the course outline.

Performance Measurement:

There will be two different scores for this assignment.

The first score will be for writing. The scoring criteria for the writing will be from 1 (weak) to 6 (strong), and will be similar to the scoring criteria for the CSUN Upper-Division Writing Proficiency Exam (see: <http://www.csun.edu/udwpe/scoring.htm>).

The second score will be for content, and will also be scored from 1 (weak) to 6 (strong). The details for earning strong scores are enumerated below:

- *Don't* just describe. *Do* lead the reader through the process of inference. That is, apply the general principles (theories/models/frameworks) from this course to explain why a phenomenon occurred in the past or predict what is likely to occur in the future.
- *Don't* write haphazardly. *Do* balance breadth (broad coverage of a few issues) with depth (sufficient analysis of each issue). Identify no less than three distinct issues that you feel need to be addressed. This is the main body of the report. Additionally, the first paragraph of the report should be an introduction, and the last paragraph should be a conclusion.
- *Don't* focus on concepts, ideas, and materials from *other* business classes (lower-division or upper-division). *Do* focus on concepts, ideas, and materials covered in *this* course—MGT 360. Here are two tips: 1), review all the materials in this class on “Management and Organization Behavior” as they are unique and distinctive from other upper-division business courses, and 2), review the titles of the textbook chapters, HBR and supplemental readings, and the organizational structure and details of the course outline.
- *Don't* just use concepts from the current part of the course, or materials just after the mid-term exam. *Do* use materials from the entire course, including from materials on leadership and change near the end of the course. This class doesn't have a cumulative final exam. However, this assignment *is* indeed a cumulative assignment.
- *Don't* ignore General Education courses. *Do* incorporate materials from one or more of G.E. courses if you feel those materials strengthen your thinking.
- *Don't* make crass, unsubstantiated arguments. *Do* provide support for your reasoning. For both MGT 360 and General Education courses, 1), cite your references, including pages numbers, inline in the sentence in the narrative, and 2), provide a “References” or “Works Cited” section at the end of the paper that lists the full citation for each reference. Either APA or MLA style is acceptable.

Case Question:

Assume that you are a consultant to the Board of Directors at Microsoft (note: the Board hires the CEO). The Board of Directors at Microsoft has hired you to assist them in better understanding the skills, knowledge, and abilities that the new CEO of Microsoft will need to manage and lead Microsoft in the future. Write a brief management analysis report that informs the Board and provides specific recommendations.

Case Text:

Title: Microsoft: 11 Fix-It Strategies --- Business Leaders, Tech and Management Gurus Discuss a Post-Ballmer Company

Author: A Wall Street Journal Roundup

Publication info: Wall Street Journal , Eastern edition [New York, N.Y] 28 Aug 2013: B.1.

In the nearly 14 years that Steve Ballmer has overseen Microsoft Corp., the company's annual revenue has more than tripled to nearly \$78 billion, and its profit ranks among the largest in any industry.

And yet most technologists would agree that Microsoft is in dire need of rebooting. The company is characterized as a lumbering giant that under Mr. Ballmer didn't introduce enough meaningful products to keep pace with the changing tide in technology.

Microsoft has pointed to its successes under Mr. Ballmer in several new areas, including the Xbox videogame system and the company's push into selling a collection of back-end technologies for corporations.

In light of the news that Mr. Ballmer is retiring, The Wall Street Journal asked business leaders, technologists and management gurus what Microsoft needs to do to regain its luster as a technology innovator.

Edited excerpts:

Bob Lutz, former vice chairman of global product development at General Motors Co.:

The next Microsoft leader should either be a so-called product guy -- or he should be someone who deeply appreciates and will give the product people the freedom to run. As in the auto business, you need people who have almost a sixth sense for what's next.

Microsoft might be at a point where General Motors and Ford Co. used to be -- which

was always analyzing the past to see where the world had already gone, as opposed to trusting people who have the instincts about where it's going to be in three years. Then by the time your product comes out based on retrospective analysis, you're always going to be three years behind the industry leaders.

The company either has to be run by a risk-accepting person or a person who is fascinated and receptive to new ideas and a product genius himself. A high-technology company that does not encourage out-of-the-box thinking is doomed.

James Breyer, venture capitalist and former director at Facebook Inc. and Wal-Mart Stores Inc.:

Microsoft needs to be built more from the ground up with new mobile and social platforms. The biggest mistake is for Microsoft not to experiment enough with many of these new and emerging spaces.

In many areas with long-term opportunities -- like cloud computing, the data center and big data -- Microsoft should be extremely willing to cannibalize existing products.

So often I believe Microsoft products are not dead-simple to use. A reorientation to dead-simple products is also an opportunity.

There are some exceptional people that I have personally known and interviewed at Microsoft. And there is an alumni group of executives and product people. That combo of current and former employee is an extremely rich next-generation leadership pool.

But the product and business teams need to work through conflict so there is a reemergence of entrepreneurial vision. They need to be more dramatic with implementing decisions more quickly.

The board will have to ask not only who has much of the great managerial and product vision talent, but who can manage in real-time the world we live in today, which is nonlinear and more dependent on active weekly and daily decision making.

I would never bet against Microsoft if I was taking a five- to seven-year view.

Vivek Wadhwa, vice president of innovation and research at Singularity University:

I would break it into pieces -- into independent operating companies that compete with each other. Microsoft has some of the smartest people in the world working for it. They are held back by the bureaucracy, turf wars, and protectionist sentiments (of their monopoly-era products).

Free the geniuses, I say! Let the 'Micro-Microsofts' behave like entrepreneurs and compete with Silicon Valley and themselves.

Alex Rampell, co-founder and CEO of digital-payments company TrialPay Inc.:

In the words of Marc Benioff, software is dead. Microsoft needs to eliminate a mentality of version numbers and "years" (e.g., Office 2003, Office 2007, Office 2011). For one, it's embarrassing to only ship software every four years. Facebook patches their site every day! But more importantly, it is a better, more predictable revenue model: subscriptions, not sales. Office 365 is a start, but the shift needs to be more violent.

Microsoft also needs to acquire -- both talent and technology. Microsoft's \$6 billion acquisition of aQuantive was a flop, but consider this: Terry Semel of Yahoo Inc. had the opportunity to buy both Facebook and Google Inc., and in each case a small amount of money got in the way. EBay Inc. bought PayPal, and Priceline.com Inc. bought Booking.com; those acquisitions have revitalized both parents with massive new businesses.

Jean-Louis Gasse, venture capitalist who once led Apple Inc.'s Macintosh development:

Microsoft should make an honest tablet -- not a hybrid product -- but a tablet-only tablet.

They should get into the smartphone business themselves, because Nokia is not going to do it for them.

And, as they have already been doing, they should continue on their services strategy, which includes moving Office in a substantial way to the cloud.

Also, they should fix Windows 8 to be PC only, and not to have this sort of dual identity.

Everything else flows from this model. It's simple. If it's complicated, they should fail.

Bret Taylor, former chief technology officer of Facebook and founder of Quip Inc., maker of word-processing software:

Microsoft's recent strategy shift was to focus on "services and devices" -- essentially to become a hybrid of Microsoft's biggest competitors, Google and Apple. I am skeptical such a strategy will succeed because the services model and device model are so different.

The device model is based on tight, vertical integration of software and devices, with profits coming primarily from hardware. In contrast, the services model is based on ubiquity -- making your service universally available across devices, operating systems, and regions to reach the maximum number of potential customers.

I would advise Microsoft's incoming CEO to take a critical look at this new strategy and pick a single path with a single, simple business model. To do so may require recognizing that Windows is no longer the strategic asset it once was, and that will

be the most challenging part of truly turning the company around.

Gautam Mukunda, assistant professor at Harvard Business School and author of "Indispensable: When Leaders Really Matter":

Microsoft needs to rethink its corporate culture from the ground up. It is famously bureaucratized and politicized, and its stack ranking system has toxic effects on the corporate culture.

Whoever the new CEO will be, his or her first priority will be to change that culture and unlock the talents of the people already working at Microsoft.

One way to begin might be to announce the immediate abolition of stack ranking as his or her very first act as the new CEO, and use that as a way to rebuild its culture from the ground up.

Paula Long, co-founder and CEO of business-data company DataGravity Inc.:

What does Microsoft stand for today? Is it productivity tools, or tablets or something else? The market doesn't know anymore, and Microsoft's next leader needs to communicate that mission clearly.

For example, Microsoft owns the application space. If I were in the leadership seat there, I'd have to ask: How can the company go deeper into this corner of the market where it's strongest? How can Microsoft tap into the intelligence users create with its tools?

As a Microsoft customer, I see an exciting, unexplored opportunity. Microsoft is one of the biggest owners and producers of data, and it has the chance to be more than just a conduit for that raw material.

Instead, the company could create additional value for users -- and reestablish its prior dominance -- by extending its server and productivity tools with solutions that extract real, actionable information from data. All of that data is creating a real pain point for customers, who know they're sitting on gold, so how does Microsoft weave intelligence into this for them? That's a huge opportunity in the market right now.

Chris Patrick, partner, Egon Zehnder International Inc., an executive recruiting firm:

The new CEO must have a strong technology product background and possess the leadership qualities necessary to manage a large organization. You can have the best product person, but if they can't create, drive and inspire a company that's been resistant to change, they may not be able to move that needle.

It's a tall order to take on an organization that has as much institutional memory as Microsoft, that needs such a fundamental pivot in their strategy. It will take a special leader to pull that off. The candidate must be credible to engineers, and craft a vision and strategy that is relatable to sales and marketing.

Ben Huh, CEO of Web humor publisher Cheezburger Inc.:

Microsoft needs more room for chaos. It needs to make institutional room for the little failures that can incubate huge successes.

Over the past eight years in Seattle, we've seen Microsoft employees' arrogance change to an underdog mentality. They have a chip on their shoulder and want to win. What was once an insufferable juggernaut is now more customer-centric, even though they still have a long way to go.

Microsoft's best assets are its employees, and it's time that they let the reins loose and create a less strict environment. To make this work, the new CEO needs to be given time and the ability to reduce profits in the short-term to invest into the culture and chaos. Seventy-two percent gross margins are great, but not at the expense of innovation.

Kevin Chou, CEO of online game maker Kabam Inc.:

Bill Gates and the other directors would be wise for them to recall Yahoo's CEO searches over the past decade.

Yahoo has been a cautionary tale of hiring seasoned business leaders, but ones who lacked deep product roots. Like Microsoft, Yahoo had diversified into many lines of business through large M&A transactions and disparate business divisions but with no clear strategic direction. Yahoo ended up blurring its identity and its core values losing its search business leadership and finding other companies picking off its key verticals such as messaging, photos and local.

Marissa Mayer is changing this. A former Google executive who helped to create Google's foundational products -- search, Gmail, maps -- Ms. Meyer has created a stepwise product strategy that has investors clearly enthused.

She asked detailed product centric questions, trimmed products that did not fit, and brought in a desperately needed intense focus to the business. It seems to be working.

So who's the best person to lead the future of Microsoft? To me it's simple. The choice -- business versus product oriented CEO -- will be the one that ultimately defines Microsoft's future.