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Question 7

Research recruiting and retention strategies at three different companies. Make sure that the strategies use contrasting approaches. What distinguishes one company from another in this area? Are strategies such as signing bonuses, tuition reimbursement, and business casual dress codes standard for new IT workers? What strategies appeal most to you? Summarize your ideas in a short paper that cites at least three different references.

Amazon currently uses a strategy called “Pay to Quit”, first implemented by Zappos, a company bought by Amazon in 2009. After acquiring Zappos, Amazon implemented this strategy which initially offers \$2000 “quitting bonus” to those who have been at the company for one-year, which then increases by \$1000 dollars a year; the offer ends when it reaches \$5000. The purpose of “Pay to Quit” is to determine which employees are committed to the company, as owner Jeff Bezos stated, the strategy is put in place to encourage employees to only stay in a position in which they are interested or committed to. Therefore, by paying out disengaged workers, there is a boost in productivity as those who are fully interested in the growth of the company as well as a reduction in theft and absenteeism. As a result, Amazon generated a higher profitability. The main disadvantage of the “Pay to Quit” strategy is, it does not encourage

hardworking attitudes in disengaged workers and those workers cost the company lots of money because they do not perform to their full capabilities and disrupt productivity. Amazon indicated that it is more cost effective to pay out the noncommitted workers, then hire and train new workers than it is to keep uninterested staff.

In order to retain employees, Microsoft utilizes a strategy they call “Develop Talent to Retain Talent”, which mean that they are invested in the development of their employees. The main factors of the strategy are:

- Improve communication between human resource staff and other employees
 - This results in more conflict resolution as the employees are more inclined to approach the human resource staff with issues, producing more productivity as there are internal problems and happier staff.
- More employee benefits and rewards
 - Microsoft provides many benefits as a strategy to deter employees from quitting and going to competitors. Such benefits include transportation, child care, health, food and “competitive salaries”.
- Employee empowerment through diversity and inclusion
 - In the past, there have been complaints of racial and ethnic biases, now Microsoft has redefined the company as one which “empower everyone on the planet”.
Microsoft states that a person’s skills should not be hindered by circumstances or backgrounds. For this reason, they seek to employ persons from all walks of life.
- Employee Training and development
 - Microsoft uses a large variation of methods for employee training, which includes on the job training, personalised training, classroom and online training, as well as

career counselling. Employees who undergo, display growth and improvement in their skills are given promotion opportunities.

Huawei believes that “employees are valuable company assets and important contributors to a company’s sustainability”. Therefore, the company focuses on the its employees’ success by enforcing the following:

- Diversity
 - Huawei believes that hiring persons who reside in and are native to that specific region or country results in top quality products, as they would know the needs and wants of the customers. Moreover, these employees are more familiar with the work customs of the country and would therefore be more productive in familiar conditions.
 - In addition to this, Huawei strives to obtain gender and ethnic equality within its company.
- Employee Healthcare Management
 - This company provides insurance and medical assistance to its employees. Ensuring healthy employees improves dedication, creates an overall healthy work environment and hence improves productivity.

The main goal of Huawei’s recruitment and retention strategy is to provide new and existing workers with an overall favourable working environment because satisfied workers produce high quality products which result in a larger income for the company.

None of the strategies mention signing bonuses, tuition reimbursement, and business casual dress codes standard for new IT workers. Both Microsoft and Huawei focus on ensuring the employees

are satisfied and try to keep them in the company while Amazon tries to pay off employees who are not committed to the company. The Huawei strategy appeals to most to me because unlike Microsoft it does not seem to focus solely on developing employee skills it also considers the wellbeing of its workers in addition to their skills.

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