

CASE: MICROSOFT

In 2013, Microsoft recognized that the company would have to make some fundamental changes to compete in an industry that rewards fast-paced innovation. At the time, there were several product groups at Microsoft that not only operated in silos, but also viewed each other as competitors for resources and bonuses. An engineer on a product team in one division might discover something that could be useful in another division's product, but there was no incentive for the engineer to share what was learned with the other product team. To address this problem, and to promote teamwork across the organization, Microsoft replaced the product groups with four broad divisions based on functions that absolutely need to collaborate to get anything done. For example, a team responsible for developing a new Xbox would now likely include engineers from the devices and studio engineering division, the operating systems division, the applications division, and the cloud division.

To support Microsoft's new structure and emphasis on teamwork, the company redesigned two buildings at corporate headquarters. The corridors and private offices that once filled these buildings were completely torn out. Now the buildings are filled with large open shared rooms called neighborhoods, which teams can customize using stipends provided by the company. There are smaller "focus" rooms and cozy alcoves that employees can use when privacy is needed, but there are no private offices. The buildings are light and airy, and are decorated with art and interesting objects that encourage employees to walk around and to meet and communicate. Rather than e-mailing, employees are encouraged to engage with each other in person and to connect in ways that are more spontaneous and rich. Employees who may have never met face-to-face may run into each other at one of the coffee bars and discover they're working on similar projects.

Of course, the redesigned buildings may present the company and its employees with certain challenges. For example, some employees likely have a strong preference for privacy, or may be bothered by the distractions and interruptions from teammates. As another example, limited private space may make it less likely that employees speak up and challenge others on the team for fear that conflict will be exposed. Finally, because employees play an important role in the

design and development of their neighborhoods, they may not be as open to changing teams as projects evolve and the needs of the company change.