



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

**INTRODUCING THE
MODERN WORKPLACE
(LCBB4003)**

LECTURER: DR. DUDLEY OFORI

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Yavor Petrov
2110946

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Introduction

What is a modern workplace? How do we define it and what are the characteristics and attributes that create a modern environment? Before examining each aspect of it, we must identify what lies in its core.

The essence of a modern workplace can be defined as an amalgamation of physical, psychological, and technological factors that have a direct or indirect impact on employee satisfaction and business efficiency. The keyword “modern” tells us that this is a fluid and constantly changing environment, that strives to adapt to the constantly evolving needs of employees, markets and societal culture and values.

Each company has a goal, and each company strives to achieve that goal, but in order to do so, it must have a structure that will be one of the key defining factors for its success. Furthermore, when you have a group of people interacting on a regular basis, you are creating an environment that fosters a particular type of culture that will have a significant influence on people both internally and externally. And although a company could be a large business structure where a single individual is almost invisible, it will always be dependent on its employee performance and satisfaction.

In order to explore how organisational structure, culture and individual motivation affect a company, this report will focus on Microsoft Corporation and all of its subsidiaries. The analysis will be broken down into 3 distinct segments addressing each of the aforementioned topics and will conclude with an extrapolation.



Figure 1 - Microsoft Headquarters (Copyright 2019 The Associated Press. All rights reserved.)

Organisational Structure

An organisational structure is a framework that defines the hierarchy of employees and how operating procedures flow through the company. It groups employees by function, region or product to ensure optimal efficiency. Although a company's organisational structures in the past tended to be mechanistic, nowadays many companies use a more flexible organic structure that better suits a dynamic and constantly evolving market (see Figure 2) (Devaney, 2023).

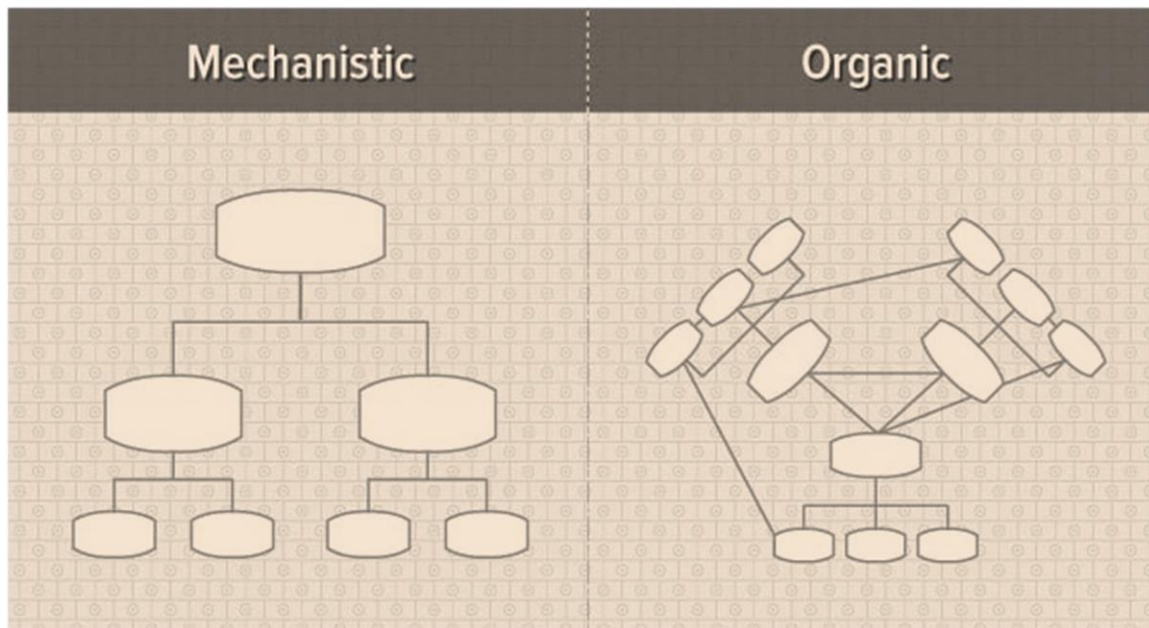


Figure 2 - Mechanistic VS Organic Organisational Structure

Furthermore, these two structures serve as a framework for a more complex model that represents the needs of the company or best fits its purpose. Some of the different types of organisational structures are:

- Functional Organisational Structure
- Geographical Division Structure
- Process-based Structure
- Product-based Structure
- Market-based Structure
- Flat Structure
- Circular Structure
- Matrix Structure
- Network Structure

(SHRM, n.d.)

Microsoft Corporation's organisational structure has evolved throughout the years due to the company's constant adaptation to the needs of the markets or trends or changes in leadership. Currently, the company is modelled around a divisional "Product-based Structure" represented in the form of business groups and engineering groups.

Business Groups

The leadership of the company has a broad-spectrum background and history of experience in each of the member's respective fields.

- Business Development
- Finance Group
- Human Resource Group
- Marketing Group
- Corporate and Legal Affairs
- Corporate Strategy and Planning
- Global Sales, Marketing and Operations
- Commercial Business

(Organimi, n.d.)

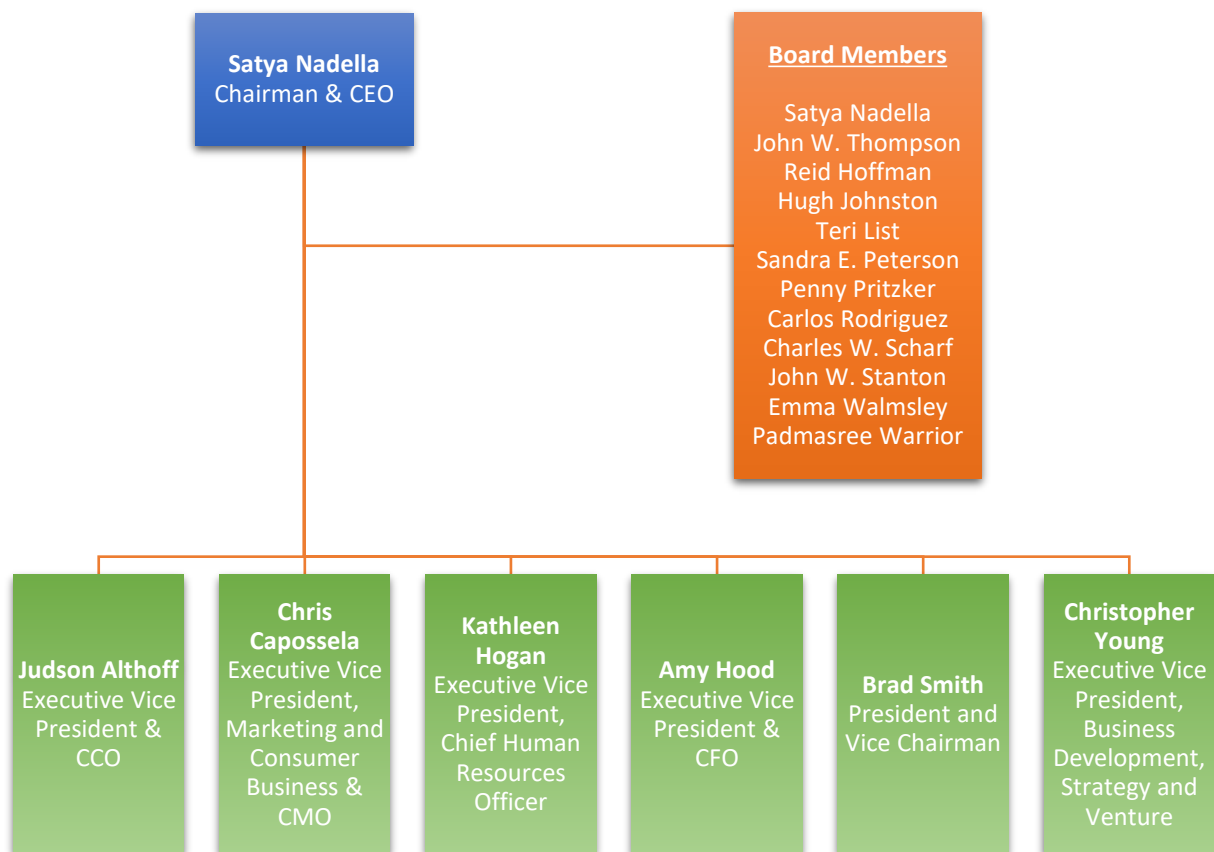


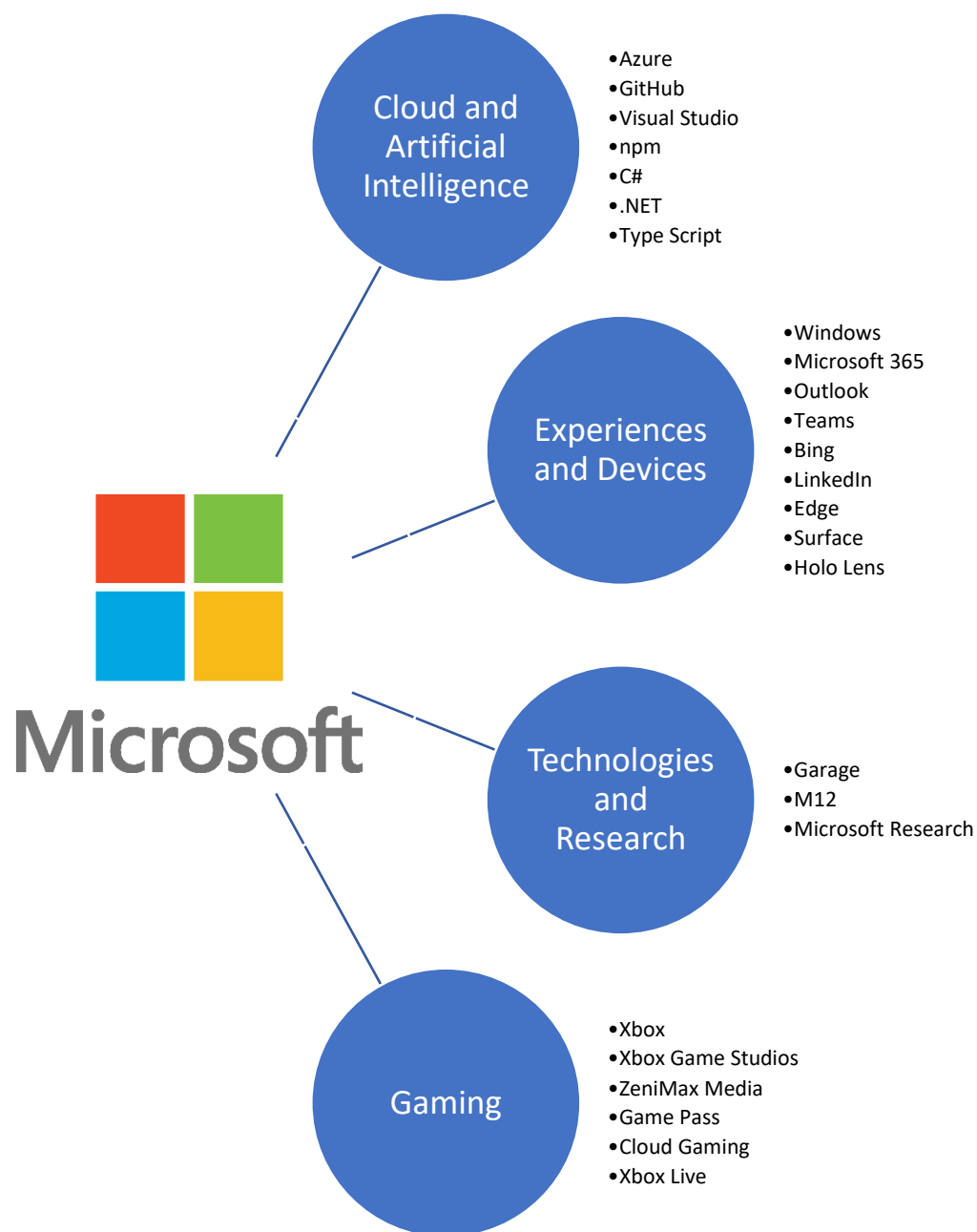
Figure 3 - Microsoft's Executive Leadership

Engineering Groups

The company has restructured these groups several times and as of 2023, they are comprised of 4 different core groups with independent financing each, which are further segmented into smaller groups responsible for different individual products.

- Cloud and Artificial Intelligence Group
- Experiences and Devices
- Technologies and Research
- Gaming

(Cuofano, 2023)



(Some of the information was acquired via a phone call with a representative of Microsoft Corporation)

International Groups

The geographical segmentation in Microsoft Corporation exists to better serve the financial, research and development, and marketing departments when preparing reports and is divided into two major groups:

- United States
- International

(Lombardo, 2023)

Implication

The organisational structure that the company is modelled around, allows for flexibility and adaptation depending on the performance of both the teams and the product as well and if needed, divisions can be created, dissolved or merged. This way each group can focus on the product that they are developing allowing them to compete directly with the best alternatives in the market. Furthermore, by having an independent pool of resources for each group, internal conflict between the different product groups is minimal. In addition, each group is comprised of tightly focused specialists, whose skills best fit the project. This allows the higher management to plan ahead and create a family of products that interact or supplement each other, creating a family of products that will generate a loyal fanbase. Nonetheless, the lack of a deeper segmentation of the international groups, particularly the “Microsoft Corporation International Group”, is a major disadvantage for the company, because all of the products are streamlined and do not account for the nuances in the localised markets and their needs.

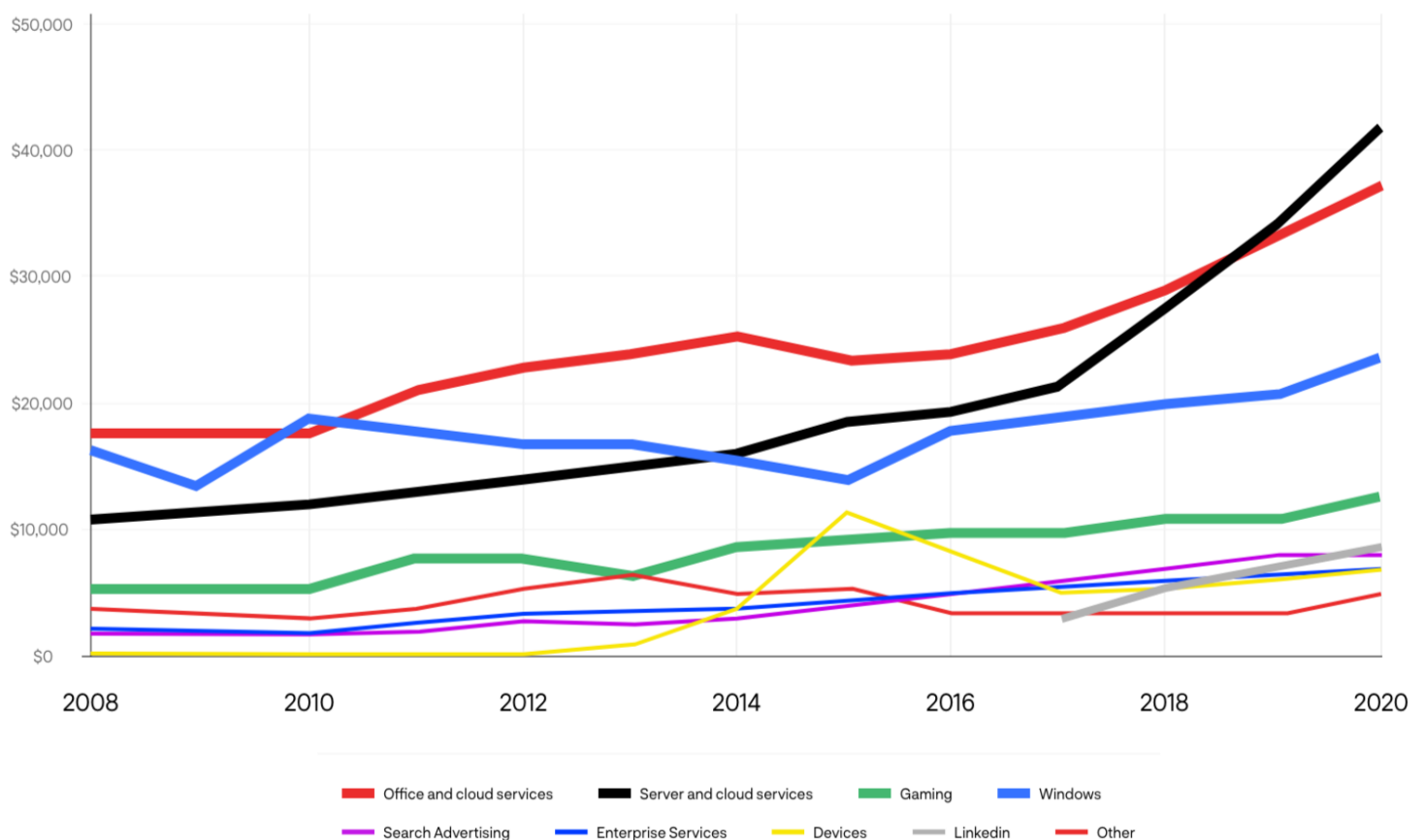


Figure 4 - Microsoft Revenue in billions by Major Product Line (Irascu, 2023)

Organisational Culture

Each and every company is like a living organism with its own personality and values. This is how a company sees its employees and the world outside of it. How people should behave towards their colleagues and the general population. Depending on the type of business the culture can differ. A small software company can have completely different views compared to a giant such as Microsoft. Furthermore, as with traditional families, company values are different depending on who is the head of that family. Their beliefs and character are projected onto everyone else and with different managers, Microsoft's values have changed over the years. Since its creation, Microsoft has had three different CEOs, with three completely different personalities and approaches to what the company's culture should be like (Nayak, 2014).

Bill Gates, the creator of the company was a visionary engineer, whose main drive was innovation beyond the scope of most people at the time. Although this type of culture was the main contributor to the company's current success it came with a heavy price to pay for many of its employees. The mostly male-dominated ranks would be highly competitive with each other, and sometimes even crossing the line (Aydin, 2019). Nevertheless, at the end of his era, the company changed for the better due to its global expansion.

Steve Balmer was chosen as his successor in January 2000, which brought the company to a new era. A Harvard alumnus with a background in mathematics, economics, and the management of sports teams, Balmer had a completely different approach and vision for the company. His energetic and direct personality showed the world that "nerds are cool" with his style of presentation every time he was on a stage or at a tech event. Although innovation was still important, his business acumen was what made him stand out from the rest. His skills with a spreadsheet were so legendary that he would even put to shame the CFOs (Branscombe, 2013). Despite the success he brought to the company, he failed to recognise the lack of cooperation, minimal communication, and decision-hindering bureaucracy that would create tension and unhealthy competition between the different work groups. His was strictly focused on Windows OS and its subproducts and the dismissal of propositions to bring young blood to the company would leave Microsoft nearly blind to the changes and trends in the rapidly evolving market, allowing companies such as Apple, Sony, and Google to gain a strong foothold in a Microsoft dominated industry (Ivy Panda, 2022).

The beginning of 2014 was yet another turning point for Microsoft with Satya Nadella as the new CEO. Nadella's computer science background brought the company back to its original values of innovation first and revenue second, without sacrificing company culture, which was the exact opposite of Balmer's approach (Benton, 2022).

"Our industry does not respect tradition — it only respects innovation."

– Satya Nadella (Evans, 2019)

Growth Mindset

A key part of a successful company is growth and what Microsoft has done under its new leadership is to motivate employees to explore different ideas and reward them for every innovation they bring to the table. Behind this stance, stands the ideology of “You never know where a good idea will come from as long as your door stays open.”.

Customer Obsessed

Another pillar of this new corporate culture that Microsoft has created is customer or partner feedback analysis and implementation. The employees of the company will use different channels for feedback or social media to gain a better picture of what people and businesses want or need and sometimes even surprise them with some innovation that nobody knew they needed. This teaches employees how to listen and understand better the needs of others and also shows their current and potential clients that they are there for them.

Diverse and Inclusive

One of the driving forces behind innovation is diversity and inviting people from different cultures, religions, sexes, and backgrounds to be part of the Microsoft family. This has allowed the company to bring people and ideas under one roof and create a culture of tolerance and respect. By bringing diversity, the company's collective power can better represent its clients.

One Microsoft

Where others saw a problem, Microsoft saw an opportunity. Competing with each other is part of human nature, but it can also lead to an unhealthy work environment. If done right though it can bring out the best in people and lead to amazing new discoveries. Events and competitions would be organised where individual employees and teams would meet or test their skills and knowledge against each other, and new ideas would be rewarded. By bringing people together and making them feel like a part of something bigger but still being valued as individuals, creates unity.

(Microsoft, 2023)

Change Comes from Within

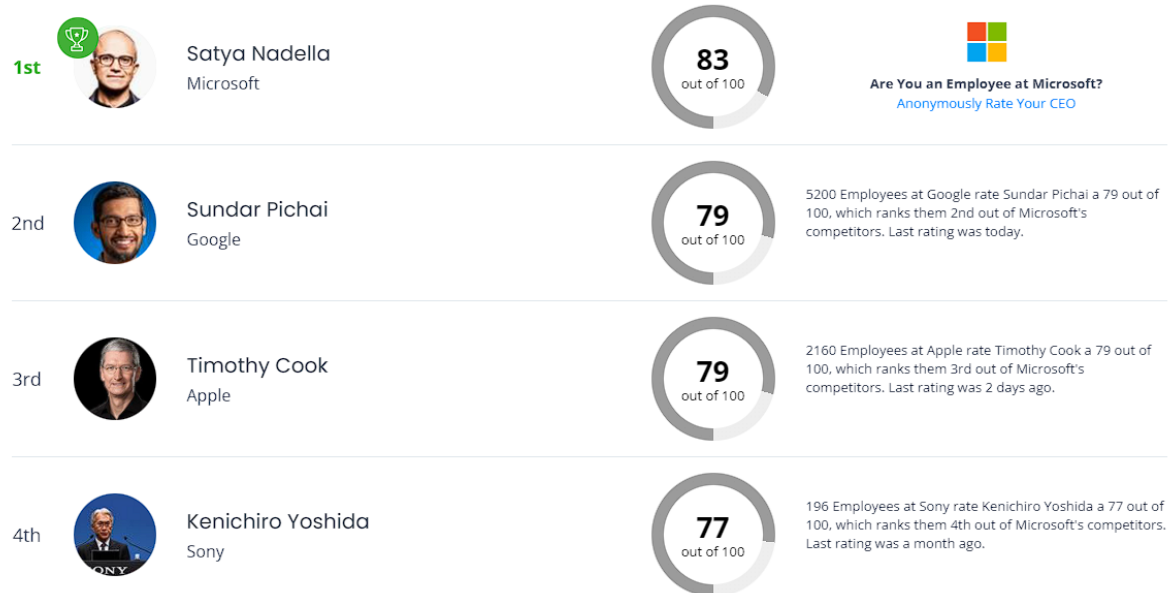
In the past, Microsoft's aggressive expansion and marketing tactics have caused many issues for the company and its public image. Changing their values and organisational culture to nurture cooperation, teamwork and diversity Microsoft has effectively changed what it projects externally as well. Instead of just trying to beat the competition at all costs, the company has adopted a much softer stance represented by their countless partnerships even with companies that are directly competing with them (Warren, 2023).

Integrity and Accountability

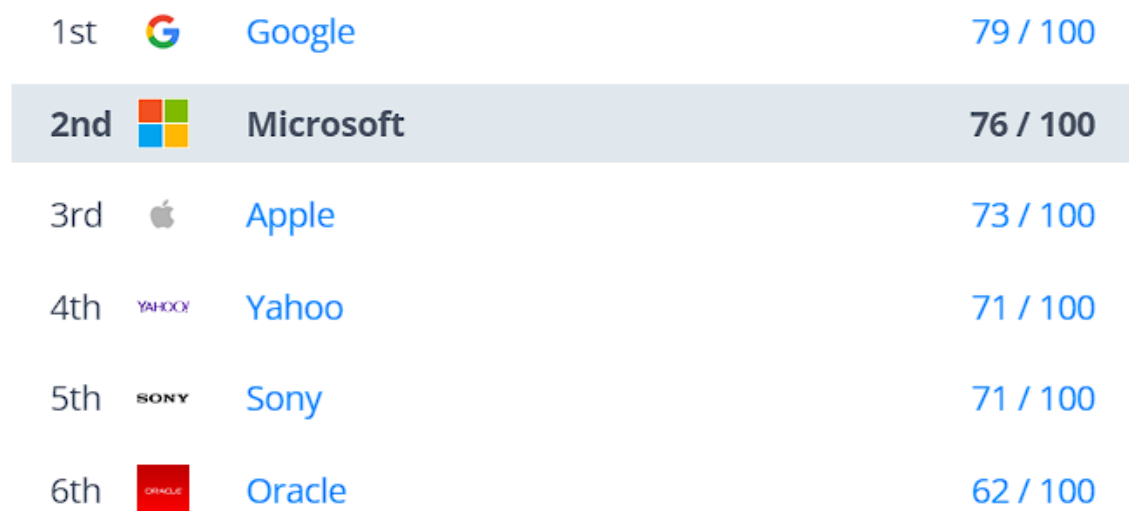
Creating a set of rules that will define the company's values is an integral part of its structure, but if those rules are not enforced, then all credibility will be lost. What Microsoft has done to ensure that those values are upheld is to mentor their employees and evaluate them based on both internal and external feedback. This gives their employees the chance to become the best versions of themselves and are rewarded based on that (Lombardo, 2023)

Microsoft's CEO Score Ranks 1st

3426 Employees at Microsoft rate Satya Nadella a 83 out of 100, which ranks them 1st out of Microsoft's competitors. Last rating was a day ago.



See Microsoft Culture vs Competitors:



Comparably Awards are provided yearly to top performing company cultures based on real feedback from their employees.



Figure 5 - Microsoft's Performance According to Employee Ratings (Comparably, 2023)

Individual Motivation

A company's success is based on an endless cause-and-effect cycle. Employee performance is rewarded based on how well the product that they have created, sells. More sales equals more revenue which the company can use to invest in their employees' wellbeing, motivating them to perform better. This is a relatively new trend that companies such as Microsoft have adopted and popularised and more and more companies are following their example.

The company has a plethora of programs and initiatives that serve to motivate its employees and bring out the best in them. Some examples are:

- Pay Equity – Microsoft believes in equal pay for everyone, and remuneration is based on performance and achievements. This way the company ensures that there is no discrimination in this regard. (Microsoft, 2022)
- Paid Parental Leave – Starting a family is one of the most important moments in many people's lives, and that is why the company has been doing everything in their power to make sure that its employees are part of a family that believes in family values. (Stahlkopf, 2018)
- Mens sana in corpore sano – A healthy mind in a healthy body has been a way of thinking since Ancient Roman times and still applies to this day. Microsoft tries to uphold this philosophy by offering their employees benefits such as sports and gym privileges, outdoor events, paid health insurance and many more. This way their employees can stay healthy and productive.
- Building Communities – Another way of motivating employees is to bring people with similar interests together because people don't go to work just to make money. People go to work to be amongst other like-minded people. (6SC, n.d.)
- Flexible Workplace – Why shouldn't everyone get the same opportunities, just because they can not be in an office building? Some have kids, others care for an elderly person or have special needs. Nowadays working from home is just a few clicks away and Microsoft knows that. That is why they give the opportunity to many of its employees to work from home or anywhere else as long as they have access to a computer and an internet connection. (Microsoft, 2023)
- Furthermore, Microsoft has many more reward programs and makes sure that many of the basic and not-so-basic needs of its employees are met, because at the end of the day "Happy employees are productive employees.". (Preston, 2022)

Conclusion

By exploring Microsoft's structure, culture and methods of employee motivation, a clear pattern can be identified. Good values, clear rules, positive reinforcement and investing time and resources in their employees have allowed the company to grow and expand even further proving that a company is not just a business but a living organism. With the passage of time societies and markets evolve and keeping up with the changes will be the thing that determines if the path taken is the path to success.



Figure 6 - Microsoft employees join Pride parades in Seattle and around the globe (Ith, 2015)

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