

- are closely supervised. In an organic organization, authority is decentralized, there are fewer rules and procedures, and networks of employees are encouraged to cooperate and respond quickly to unexpected tasks.
- The second is that an organization may also be characterized by differentiation or integration. Differentiation is the tendency of the parts of an organization to disperse and fragment. Integration is the tendency of the parts of an organization to draw together to achieve a common purpose.

- The third is the link between strategy, culture, and structure. If the managers of an organization change its strategy, they need to change the organization's culture and structure to support that strategy. Indeed, companies often begin by offering a single product or product line that requires only a simple structure, but as they grow and their strategies become more ambitious and elaborate, so the culture and structure need to change to support those strategies.

Understanding the Chapter: What Do I Know?

1. To implement an organization's strategy, what are the two kinds of important areas that managers must determine?
2. How would you describe the four kinds of organizational cultures, according to the competing values framework?
3. Describe and explain the three levels of organizational culture.
4. What are four ways in which culture is transmitted to employees?
5. Name 12 mechanisms by which an organization's members teach each other preferred values, beliefs, expectations, and behaviors.
6. What are seven common elements of organizations?
7. Describe the four types of traditional organizational designs.
8. Explain what is meant by horizontal organizational designs.
9. What are three designs that open boundaries between organizations?
10. What are three factors to consider in designing an organization's structure?

Management in Action

IDEO's Culture Reinforces Helping Behavior

IDEO is a company that has won many awards for its "human-centered, design-based approach to helping organizations" improve and grow. They have helped hundreds of companies in many industries to innovate and improve customer satisfaction and profitability. Tim Brown, president and CEO, describes design thinking as "a human-centered approach to innovation that draws from the designer's toolkit to integrate the needs of people, the possibilities of technology, and the requirements for business success."⁹³ IDEO's success is built on a culture that values, reinforces, and supports helping behavior.

Helping behavior must be actively nurtured because it is discretionary. At IDEO helping others and collaborating for the good of a client is the norm. This case is based on results from a study of IDEO's culture and

design process. The investigators identified four keys to achieving helping behavior and collaboration.

Leadership Conviction

Not every large company's leader would, if asked about organizational priorities, bring up the topic of encouraging collaborative help in the ranks. But IDEO's leadership is explicitly focused on it. For Tim Brown, the CEO, that's not only because the problems IDEO is asked to solve require extreme creativity; it's also because they have become more complicated. Brown says, "I believe that the more complex the problem, the more help you need. And that's the kind of stuff we're getting asked to tackle, so we need to figure out how to have a culture where help is much, much more embedded." Essentially, this is a conviction that many minds make bright work.

Leaders at IDEO prove their conviction by giving and seeking help themselves. For example, we observed

a particularly successful event (in terms of new ideas generated) when a C-suite-level [senior executives] helper joined a team for an hour-long brainstorming session. The team's project hadn't even formally kicked off yet, so it was not a situation in which help was desperately needed. Nor was this leader the only one qualified to provide it. His arrival in the room signaled strongly that helping is an expected behavior in the culture and that everyone is part of the helping network.

The Two Sides of the Helping Coin

Because most cultures have norms of reciprocity, getting help from others can put you in their debt. Even if you are unfazed by the prospect of a future request, you might worry about seeming weak or incompetent if you ask for assistance, especially from someone of higher status. IDEO makes a conscious effort to sweep that hesitation away. From the beginning of every project, designers are encouraged to assume that they'll need help. A project team with a demanding client learns that it would be irresponsible not to ask a colleague who had a lot of experience with that client to review its work. The team members might ask for that colleague's input throughout the project, in sessions lasting anywhere from 15 minutes to half a day. At IDEO there is no shame in asking for help, and this psychological safety shows up on many levels: For example, people cheerfully accept frequent all-office e-mail blasts along the lines of "Does anyone have experience with Spanish-language radio?" or "Who's tried the new quick-loss diet?"

Processes & Roles

How pervasive is helping at IDEO? Our network mapping revealed an extraordinary fact: In the office we studied, nearly every person was named as a helper by at least one other person. Even more amazing, an overwhelming majority of employees (about 89%) showed up on at least one other employee's list of top five helpers. Clearly, effective helping isn't a rare skill. Most people at IDEO learn to do it as they become steeped in the culture of the organization, participate in its regular activities, and develop networks within the firm. It would be hard, we think, to achieve this simply by communicating the desired culture. And indeed, IDEO goes much further, building the value of help into formal processes and explicit roles.

Help is embedded in the entire design process, from IDEO's famous brainstorming sessions, through formal design reviews, to the many forms of support and encouragement for project teams seeking feedback on ideas. In this way IDEO builds essential habits of mind. In fact, Brown told us, when help is not seen as an integral part of the process, "teams will rush through their project and get quite close to the end

before they realize 'Wow, we completely missed something—which we wouldn't have missed if we had stopped and asked for help.'"

Most IDEO project teams have one or more senior designers assigned as helpers. These people have expertise in a given domain, deep experience with the team's client, or simply a reputation for being particularly good helpers. They are generally available to the team and check in with it periodically throughout the project.

Slack in the Organization

Remember that helping is a discretionary behavior. That's true even for a formally assigned helper at IDEO: The role is only a small part of anyone's overall job. A potential helper may or may not be able (or willing) to respond to any given request. Because IDEO wants helping to occur, it must avoid overloading people with tasks of their own. Notice the implication: Time that might be spent on billable client work is made available to facilitate ad hoc assistance. This strongly reinforces messages exhorting people to help their colleagues.

The Surprising Omissions

These keys to collaborative help at IDEO may seem uncontroversial. But note what isn't part of the equation: some of corporate leadership's favorite talent-management levers. The firm seems not to rely on fancy collaborative software tools or other technologies (although e-mail and videoconferencing are used frequently). Most pointedly, financial incentives don't play a prominent role in promoting the culture of help.

To be sure, executives have help in mind when evaluating job candidates. Brown wrote about this recently: "During job interviews, I listen for a couple things. When people repeatedly say 'I,' not 'we,' when recounting their accomplishments, I get suspicious. But if they're generous with giving credit and talk about how someone else was instrumental in their progress, I know that they give help as well as receive it." Helpfulness is considered in promotions as well. It is a value that everyone in a senior position at IDEO is expected to model. But on a daily basis, the incentive to help comes from the simple gratitude it produces and the recognition of its worth.

This apparent joy in collaborative helping speaks to a larger reality of IDEO's culture: It is not about cutthroat competition. Many organizations discourage helping, at least implicitly, because it is seen as incompatible with individual responsibility for productivity. Some have cultures that actually promote competition among peers, so aiding a colleague seems self-defeating. IDEO's message is that the thing to beat is the best work you could have done without help—and that when the firm produces the best work possible for clients, all its employees do better.

FOR DISCUSSION

1. Using the competing values framework as a point of reference, how would you describe the current organizational culture at IDEO? Provide examples to support your conclusions.
2. What type of culture is desired by Tim Brown to meet his goals? Does the company have this type of culture? Discuss.
3. Which of the 12 ways to embed organizational culture has IDEO used to create its current culture? Provide examples to support your conclusions.

4. Does Tim Brown want to create more of a mechanistic or organic organization? Explain the rationale for his preference.
5. What is the most important lesson from this case? Discuss.

Source: Excerpted from T. Amabile, C. M. Fisher, and J. Pillemer, "IDEO's Culture of Helping," *Harvard Business Review*, January–February 2014, pp. 55–61.

Legal/Ethical Challenge

Is Apple's Culture Going Too Far?

Stealing, better known as shortage (or shrinkage) in the retail industry, is a big problem for this economic sector. While people steal from their employers for many reasons, this challenge involves a practice that Apple has used to reduce theft.

Two former Apple retail store employees sued the company claiming that "they were owed up to \$1,500 in annual overtime, waiting each workday to have a manager check their personal bags for pilfered store merchandise." Would you like to spend extra, nonpaid time at work having your bags checked? This is the crux of the suit. The former employees claim that the practice "was mandatory and performed after they had clocked out for meal breaks and at the end of their work day." The searches are conducted every time a sales rep leaves the store, including meal breaks. Seven additional people have agreed to join this lawsuit against Apple.

Apple denies all claims and allegations. The company argues that it did not willfully fail to pay any wages. Apple claims the searches are optional and they would not take place if employees would not bring bags to work or use iPhones or other Apple products. In other words, if an employee would not bring anything to work, then there is nothing to search. The company recently petitioned the court to toss the case, and a federal judge, William Alsup, rejected the request.

The judge concluded that avoiding searches is not so straightforward because employees "may need to bring a bag to work for reasons they cannot control, such as the need for medication, feminine hygiene products, or disability accommodations."

SOLVING THE CHALLENGE

What would you do if you were an executive at Apple?

1. Continue to fight the lawsuit because it is a class action suit that could cost a lot of money.
2. Fight this lawsuit, but change the policy in the future. I want the company to be more clannish and adhocery, and this policy is contrary to these cultural types.
3. Settle the lawsuit. Yes, it will cost money, but the company is sitting on a stockpile of cash. This action will also show goodwill while reinforcing aspects of Apple's clan culture.
4. Invent other options.

Source: This case was based on material in G. Allen, "Apple's Attorneys Respond to Lawsuit over Bag Check Overtime," *Forbes*, August 17, 2013, www.forbes.com/sites/garydallen/2013/08/17/apples-attorneys-respond-to-lawsuit-over-bag-check-overtime; and J. J. Roberts, "Apple Store Workers' Lawsuit over Bag and Gadget Searches Can Go to Trial, Judge Rules," *Buy iMac*, June 2, 2014, www.buyimac.com/apple-store-workers%e2%80%99-lawsuit-over-bag-and-gadget-searches-can-go-to-trial-judge-rules.html (both accessed June 26, 2014).

1. Explain the communications process.
2. What are the extremes of media richness?
3. Explain the differences between formal and informal communication channels.
4. What are the three types of barriers to communication and examples of each?
5. Explain multicommunicating.
6. What are some ways digital communication is altering traditional communication?
7. What is the downside of the digital age?
8. Explain how social media can be a benefit in business.
9. Explain the five listening styles and how to be a good listener.
10. What are some tips for becoming a good reader?

Management in Action

Hootsuite Uses Social Media to Manage Aspects of the Human Resources Function

Ambrosia Humphrey's passion and drive are hard to miss—especially for the CEO with whom she had to share a desk when she began working at social media management company Hootsuite.

Humphrey, now vice president of talent at the Vancouver-based company, says she and CEO Ryan Holmes both have “disruptive” personalities and like finding new ways to do things. . . .

Hootsuite offers online dashboards in 15 languages to help companies manage and analyze their social media accounts, including Twitter, Facebook, LinkedIn, Google Plus and others. . . .

Naturally, Hootsuite has folded media into its HR efforts for recruiting, onboarding, recognition, performance management and brand management. The company uses the private social network Yammer for internal communications and a social platform called 7Geese for performance management.

The effect of social media on Humphrey's own workplace is undeniable.

Shortly after Steve Johnson, Hootsuite's chief revenue officer, joined the company as its 26th employee in 2011, Humphrey decided to hold a recruiting fair with just five days to plan. Johnson was worried they'd have an empty room, but Humphrey kicked her social media machine into high gear and the place was packed. . . .

Humphrey is a realist about the fact that it's not possible to control exactly how and when each employee will use social media. She has built an HR team of 15, and her group is vastly outnumbered by employees with multiple social media accounts of their own. Each staff member receives some social media training and is then trusted to act responsibly.

“We're a social organization,” Humphrey says. “In my reality, if people aren't happy, they tweet about it.

That's a PR problem. I would rather have an ongoing dialogue with people. There's no need to be disgruntled and push it out somewhere else.”

She strives to make every HR initiative transparent so that employees don't share their grievances with the rest of the world, 140 characters at a time.

Training begins with social media certification through Hootsuite University, which educates individuals on what social media can do to help them in their job, how it can affect their careers, and how it can provide product training.

Humphrey follows the mantra “tweet to love not war” and sees herself as an ambassador of her company. Employees are encouraged to use the hashtag #hootsuitelife to present their perspectives on what it's like to work at the company. Postings include photos of rooftop meetings, links to media rankings of Hootsuite as a top workplace, and employee kudos to each other. Together, the postings give people a feel for the quiriness of life at the company.

Schmidt sees #hootsuitelife as a perfect example of how Humphrey is willing to take risks that other HR leaders won't. “It's about empowering your employees,” he says. “All employees have the opportunity to be great brand ambassadors.”

Culture is one of Humphrey's top priorities, and Hootsuite's social media efforts are part of a larger commitment to transparency. Humphrey cites “Ask Me Anything” all-staff meetings with the CEO, “hackathons” where staff assemble to tackle problems (they teamed up to create a recruitment video one day), and a “working out loud” philosophy where people like to show their work and get feedback.

In a company blog, Humphrey pointed out that transparency fueled by social media can give companies the same kind of feedback from employees that they find to be so valuable when it comes to customers.