3. What do organizational stories, symbols, and assumptions reveal about Microsoft's philosophies, its purposes, and its goals?
4. How easy do you think it would be to go into Microsoft Corporation now and identify the status symbols for its employees? The specialized vocabulary or jargon necessary to understand what is going on? The way decisions are made? The expectations for achievement and success?
5. As (or if) Microsoft continues to grow in size and extent of operations, what do you recommend it consider seriously as cultural elements to cultivate and retain? As elements to change? Why?

CASE 2

Satellite Systems

Contributed by Scott Hammond

It was 9 A.M. and time for the staff meeting, but the VIP wasn't there. Satellite Systems Vice-President and General Manager Bill Curtis noticed that this meeting was different from the usual weekly affair. He could see each manager was dressed a little sharper, and the coffee was being served in "real" cups. The participants from the different departments in the satellite uplink company were going through their wallets, showing each other their cards. One suggested that before starting they pledge allegiance to the plaque on the wall. After 20 minutes the VIP from corporate came in. He was Robert Vallet, CEO of the communications holding company. He was dressed like a CEO, or at least a Wall Street banker. Lean in appearance, he also had the reputation for being lean on risk. "A bottom-line man," Curtis had heard Vallet call himself.

Today's meeting did not have the usual agenda of business-related items. Instead, Robert Vallet stood and talked about the greatness of the company, the bright future of the organization, and the pride each manager should feel. The group of 20 managers listened politely and intently. They did not want to disagree or take issue. Vallet did not invite the other 50 technical workers in the company. Bill Curtis had suggested inviting them, but Vallet had said he wanted to meet with the "movers and shakers" and not a bunch of technicians. To Bill, who was an engineer by training, these technical workers were the heart of the company. He knew that the technicians and staff workers were talking about the "big wig" meeting and that whatever information they did not get soon would be fabricated by the grapevine anyway.

Vallet continued to talk, but Curtis was only half listening. Only the day before over lunch Curtis had reviewed the state of the company with this same group. Most had agreed that morale was at an all-time low. "It's like the soup of the day around here," said one experienced and senior technical manager. "We get a new program every six months that is supposed to make us better people and create a better company. But it's really just window dressing. They don't want to address the real issues." Another technical manager complained that the organization had not caught up with the technology. She said, "They want a one-size-fits-all program in this company, but the reality is that we are very different from our sister divisions. They are really show biz with a little technology built in. But we are truly a technology company. Our success is based on how we stay on or create the leading edge. If we fall behind, our customers are gone in 90 days."

Bill's mind wandered as he thought of the frustrations of his people. He could think of five or six "effectiveness programs" that had come from corporate over the last six years. Though "required," they had no apparent relevance to the company's circumstances or conditions. In addition to these half-dozen programs, he knew there were others he was forgetting. This new program that Vallet was pushing, however, seemed to have more emphasis than the others—perhaps because Vallet himself was relatively new and did not have a real history with the firm.

Overall, Bill was proud of his division. Despite the problems of a rapid, ever-changing technology, he believed his group had adapted well. Most of the competition had gone under or merged in the last few years, leaving Satellite Systems smaller and more agile than the remaining bunch. Bill liked to think they were closer to the clients' needs than their competitors. In fact, Bill knew most of their major clients on a first-name basis. He was not above going to lunch with one of his account managers who was meeting with a client. Contrary to what some of the managers felt about this practice initially, Bill's presence usually made the account managers feel important, showing that they were on a first-name basis with the vice-president. And the clients felt more important, too.

In the conference room Vallet talked about the corporate-wide values program. He said he believed it had been a great success. He said the company had come to represent the values of fairness, honesty, and integrity to the customer and to the employees: "We are a people company and we are proud of it." As part of the program, headquarters issued plaques to every division with the values statement inscribed. The CEO said he was glad to see that there was a plaque in this very room. Bill Curtis scanned the room. On the faces of all, he could see the outward evidences of that sense of pride, but he knew it was not genuine.

Bill knew, for example, that the conference room white board usually covered the plaque—except when there was a corporate visitor. Then there were the cards. As if on cue, CEO Vallet continued by asking each of the employees to hold up the "values card" that each was expected to carry in pocket or purse. Twenty out of 20 managers held up their cards. Bill had to smile wryly, knowing that the grapevine from other divisions was working. They had been warned at Satellite Systems to expect that the CEO would ask to see the cards. Some had dug through their desks to find the unused card. Bill himself had to borrow one from his secretary.

"I believe that if we all keep these corporate values before us, we will treat our people better and have a better company!" Vallet paused for effect, and it was something less than he expected. There was polite applause, however, and then the CEO sat down. Bill rose and asked if there were any questions. That, he felt, was at least a polite gesture. He did not really expect any

questions and silently prayed that there would be none. Wouldn't you know, though, that one of the younger, outspoken sales managers piped up. "We've spent a lot on a new uplink system this year, and now we learn that it won't be on-line until the middle of the fourth quarter. Our customers simply aren't buying because they can't see it working yet. Because of that," he stumbled a little, apparently realizing he was now getting to the sticky spot, "because of that, sales revenues are down. What should we do?"

This particular issue had been the major, most hotly debated topic of the last five staff meetings at Satellite Systems. Members of the salesforce were concerned because they were losing needed commissions, but everyone agreed fully that if they could just get the new system on-line, there would be plenty of commissions and plenty of other work to go around. Meanwhile, it was not just rumored: the company, admittedly, was borderline in the red.

Robert Vallet rose to his full CEO height and responded directly to the brave questioner: "If you can't sell this thing, then we will get someone who can!" There were no more questions.

QUESTIONS FOR DISCUSSION

1. What are the cultural values at Satellite Systems relative to communication? To technology? To information flow? To openness? How do these values differ from those of the larger corporation?
2. Should the parent company try to change the culture? Could it change the culture?
3. What role did Bill Curtis and Robert Vallet play in managing the organizational culture?
4. What are the differences between the espoused culture and the practiced culture? Is such disparity harmful?
5. Consider how you would role-play a conversation between Bill Curtis and Robert Vallet the day following the CEO's visit. What should Curtis tell Vallet? How should Vallet respond?