

CASE APPLICATION #1

You Work Where?

Yahoo!, a pioneer in Web search and navigation, struggles to remain relevant in the face of competition from the likes of Google, Facebook, and Twitter.⁶¹ It missed the two biggest Internet trends—social networking and mobile. However, in July 2012, after the company did its own search, it snagged a gem as the company's new CEO—Marissa Mayer, one of the top executives at Google. Mayer had been one of the few public faces of Google and was responsible for the look and feel of Google's most popular products. Guiding Yahoo! as it tries to regain its former prominence is proving to be the challenge that experts predicted, but they're also saying that if anyone could take on the challenge of making Yahoo! an innovator once again, Mayer is the person.

Two of her initial decisions included free food at the office and new smartphones for every employee, something that Google does. However, in February 2013, Mayer launched an employee initiative that has generated lots of discussion—positive and negative. She decided that as of June 2013, Yahoo! employees who worked remotely had to come back to the office. The memo from the vice president of people and development (code for head of Human Resources) clarified that the new initiative was a response to productivity issues that often can arise when employees work from home. With a new boss and a renewed commitment to making Yahoo! a strong company in a challenging industry, employees were expected to be physically present in the workplace, hopefully leading to developing a strong common bond and greater productivity. The announcement affects not only those who work from home full time—mainly customer service reps—but also those employees who have arranged to work from home one or two days a week. Yahoo! isn't the only company asking remote workers to return. Bank of America, which had a popular remote work program, decided late in 2012 that employees in certain roles had to come back to the office.

Before Mayer became CEO at Yahoo!, it was a wonder anything ever got done there. What she found wasn't even remotely like the way employees functioned at Google. At Yahoo!, few people were physically at work in the office cubicles throughout the building. Few cars or bikes or other vehicles could be found in the facility's parking lots. Even more disturbing: some of the employees who were physically

there at work did as little work as needed and then took off early. She also discovered that other employees who worked from home did little but collect a paycheck or maybe work on a sideline business they had started. Even at the office, one former manager described morale as being as low as it could be because employees thought the company was failing. These were some of the reasons that Mayer abolished Yahoo!'s work-from-home policy. If Yahoo! was to again become the nimble company it had once been, a new culture of innovation, communication, and collaboration was needed. And that meant employees had to be at work; physically at work

together. Restoring Yahoo!'s “cool”—from its products to its deteriorating morale and culture—would be difficult if the organization's people weren't there. That's why

Where **IS** work done most efficiently and effectively?

Mayer's decision at Yahoo! created such an uproar. Yahoo!'s only official statement on the new policy said, “This isn't a broad industry view on working from home. This is about what is right for Yahoo!, right now.”

Where work is done most efficiently and effectively—office, home, combination—is an important workplace issue. The three main managerial concerns are productivity, innovation, and collaboration. Do flexible arrangements lead to greater productivity or inhibit innovation and collaboration? Another concern is that employees, especially younger ones, expect to be able to work remotely. Yes, the trend has been toward greater workplace flexibility, but does that flexibility lead to a bloated, lazy, and unproductive remote workforce? These are the challenges of designing work structures.

Discussion Questions

- ★ 6-14 Evaluate Yahoo!'s new work initiative. Did it have to be an “all or nothing” proposition? Discuss.
- ★ 6-15 What can managers and organizations do to help employees who work from home be efficient and effective?
- ★ 6-16 Take the three main concerns—productivity, innovation, and collaboration. From the perspective of management, how do you think flexible arrangements stack up? How about from the employee's perspective?
- 6-17 Is “face-time” (that is, showing up at work to be seen by your boss and others) critical to one's career? Discuss.
- 6-18 Is being able to work remotely important to you? Why or why not?