

# **Culture** in the **Workplace:**

## **An Innovative Design for Management**

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### **Abstract**

We are all familiar with the success stories of some of the great giants of the modern day such as Apple, Twitter and Netflix, but what exactly has helped them attain the accomplishments and acknowledgements they have been able to? Corporate culture has played a vital role. By taking a closer look at elements of each company and what has led to striking employee motivation and ultimate company success we can learn a lot about key attributes of company culture that can be universally adopted by us all.

Specifically we can analyze what makes a successful work design and how company culture can be established. It is critical to understand that although the advice given could be universally interpreted, that no company culture is alike. Each employee, with their own cultural experience and background contribute significantly to the culture of their own separate company and environment. As such, corporate culture is something tangible and continually changing that can lead to conflict and misunderstanding. Within the report we outline key strategies to effectively manage such conflict so that it can even contribute to the successful establishment of corporate culture within an organization.

## Introduction

It is apparent that culture in the workplace is something that has a direct impact on the subsequent success of a company. However, cultivating culture and identifying successful components of workplace culture can be somewhat complex and difficult to decipher. In fact it has been said, “Culture is a powerful element that shapes your work enjoyment, your work relationships, and your work processes. But, culture is something that you cannot actually see, except through its physical manifestations in your work place” (Heathfield, 2011, para. 2). For the purpose of this article we will therefore be focusing our attention on a significant and far reaching aspect of culture in the workplace: work design and moreover analyze its impact and relevance through modern day success stories. Particularly we will look at the successful approaches Apple, Twitter and Netflix have taken regarding work design and suggest key principles that we can learn from them. More specifically we will summarize our findings and outline key elements that could be implemented by various companies to encourage successful work design. Not only this, we will look at key ways to establish and develop company culture as well as offer some vital insights into how to avoid and deal with cultural differences in the workplace. It is apparent that culture in the workplace is integral to a company’s environment with each employee contributing significantly to it. The goal therefore is to be able to suggest universal strategies that could be implemented by employer and employee alike on their personal and collective road towards success and fulfillment.

## Apple

Apple Inc. (formerly Apple Computer Inc.), another garage-manned company with a couple computer geeks improvising on microcomputers and chips in 1975. Steve Jobs and Steve Wozniak, two young inspired college dropouts were on a mission to improve the way of computers. Their inspiration led to innovation which led them to success. This company moved away from exclusive

computers and broadened their market to music and entertainment: iPods, iPhones, and iPads. Dominating the business landscape, Apple has dramatically increased net profits. In 2003, Apple reported \$23 million in profit. In 2011, Apple reported \$25.9 billion in profit; an increase of over 1000% in eight years. (Apple Inc.)

What has made Apple so successful? What was their key ingredient, or was it a recipe that called for a mix of ingredients. Steve Jobs spoke about Apple’s two main ingredients; liberal arts and technology. Said he, “We’ve always tried to be at the intersection of technology and liberal arts, to be able to get the best of both, to make extremely advanced products from a technology point of view, but also have them be intuitive, easy to use, fun to use, so that they really fit the users – the users don’t have to come to them, they come to the user.”

It seems almost impossible to talk about liberal arts without technology and vice versa when talking about Apple, Inc. Jobs had a vision that liberal arts and technology was married to each other and they were never to be separated or else the whole Apple family would be in a mess. Liberal arts brought the beauty of the product which we saw from the outside. The technology of the products made the users go “Wow!” when using the product.

## Twitter

Instant messaging friends have been around a modest decade and still improving. But what if messages could burst all around the world to only those who were interested in that message? That is exactly the concept of Twitter. Their innovation started with - conveniently enough - brainstorming. In 2006, Board members of Odeo were in a “daylong brainstorming session” and now CEO; Jack Dorsey came up with the idea of sending a short message to a small group of people. On the creation of the company, New York Times mentioned, “Twitter is on the cusp of becoming the next big, independent internet company — or the next start-up to be swallowed whole by a giant like Google or,

“We’ve always tried to be at the intersection of technology and liberal arts”  
– Steve Jobs

possibly, the next start-up to run out of steam.” Their growth has become phenomenal. In 2007; 400,000 tweets were sent from all around the world. Now, in 2011, there are over 100 million active users worldwide, communicated in 17 languages (blog.twitter.com), to reach a grand total of over 250 million tweets a day (techcrunch.com). An average of two plus tweets per day.

After five years of explosive growth, Twitter has redefined communication. When Michael Jackson died in 2009, the Twitter server crashed for using the word “Michael Jackson” in their tweets; 100,000 tweets per hour. The micro-blogging service Twitter crashed with the sheer volume of people using the service (Shiels). Here are some ways high records of users are using Twitter. (Miller, *The New York Times*).

1. 2010 FIFA World Cup; 2,940 tweets per second in a thirty-second period when Japan scored against Cameroon.
2. 2010 NBA Finals; 3,085 tweets per second after Los Angeles Lakers reigned victory over Boston Celtics.
3. 2011 FIFA Women’s World Cup; 7,196 tweets per second were published when Japan beat Denmark in their group game.

These statistics go to show that Twitter is not a social-network in America, but rather, all around the world from Brazil, Ireland, Indonesia, to Australia. Twitter is being used for everything from commercial, personal, promotional, campaigns and business messages. Twitter is going mainstream 140 characters at a time. The Church of Jesus Christ of Latter-day Saints has a twitter account called Mormon Channel, they have 9,000 followers. If the Mormon Channel posted a “tweet” then all their followers will get that message. Another twitter account user, CNN has their own account and when they send a message, over 3 million other users worldwide will get that message. This is a quick way for all who is interested to receive information from their perspective interests.

Roughly 100,000 tweets per hour caused Twitter to crash in response to Michael Jackson’s death.

## Netflix

Not only are Apple and Twitter great success stories and examples of effective company culture and work design, Netflix has shared similar achievements and has had renowned accomplishments during recent years. Formed in 1997 in Scott’s Valley, California by Reed Hastings and Marc Randolph – new technology entrepreneurs- the company has grown today to boast a huge 23.6 million subscribers (Schonfield, 2011, para.1) to their DVD and Video Console Games rental services by mail. One of the pioneers in the DVD rental by mail markets they have dominated the arena and have grown to know much success in various areas. This journey to success was contributed to significantly by the work environment and culture they were able to establish.

Like many cultures established, CEO Reed Hastings played an integral part in developing such a motivational and inspiring culture at Netflix. Influenced by his previous negative experience working for “Pure” where employees lacked desire and motivation to return to work, Hastings sought to create a motivational and rewarding culture at Netflix. This was achieved by a freedom and responsibility approach. In real terms this equates to high salaries, unlimited vacations and the freedom for employees to structure their own compensation packages. At the same time, the responsibility on employees is huge with the expectation that one employee will accomplish the work of three to four employees in a regular environment. (Conlin, 2007) An additional factor that has contributed to Netflix’s culture is their philosophy that rules and bureaucracy are bad and limit innovation. As such they adopted an anti-bureaucracy policy limiting the creation of rules. They have sought to create an adult environment in which one can put trust in employees, work effectively as a team, give freedom but expect a lot in return. This heavy responsibility on employees is further exemplified through the fact that they refer to themselves as a high performing team and not a family. When employees are only adequate

in their performance they receive generous severance packages as Netflix do not seek employees that are simply adequate but outstanding in their fields. (Schneider, 2011)

All in all, Netflix has managed to establish a company culture which motivates and pushes employees to achieve their maximum and encourage outstanding and innovative results. Although competition is continually increasing, the long term effects of their motivational company culture will continue to contribute to their overall success.

### **What Makes a Successful Work Design?**

From the success stories of Apple, Twitter and Netflix some key elements of successful work design have been briefly introduced. These include an increase in freedom, rewards as well as the development of employee responsibility. With work design and culture being directly associated to the ultimate success of a company, it is a topic that has drawn much attention. In fact at a conference in Denver, Inc. and the organization Winning Workplaces brought together leaders from a range of businesses to develop ideas on building and maintaining great company cultures. (Mansueto Ventures LLC, 2010) From the conference they created a 12 point framework on how to establish successful corporate culture. They suggested that the following steps were essential in that process:

1. Value Staff Opinions. Create a channel of communication where employees know their contribution is important.
2. Listen to the Pronouns. If employees are referring to they/them instead of us/we you know you need to change something.
3. Create an Innovative Office. Influenced by an open plan where all employees are equal, desks don't belong to individuals to create a motivational team environment
4. Hire Wisely. Hire for attitude not aptitude. Skills can be taught.

5. Create a Dream Map. Create a vision for the future that is visible for all employees. Hope for the future motivates employees in the present.
6. Create Bonding Rituals.
7. Focus on Consensus. Recognize that as a future manager, you may not know everything. Focus on consensus to make sure you make the right decisions for the company and employees.
8. Forget About Weaknesses.
9. Ask, Don't Guess. Communication with employees is essential in informal settings.
10. Nurture Young Leaders.
11. Share Responsibility.
12. Look to the Future. (Mansueto Ventures LLC, 2010)

However one of the key aspects of developing successful work design is a willingness to change and to keep up with evolving employee and employer expectations. The CEO of IBM Sam Palmisano reinforced this idea when he stated "You have to be willing to change your core, and you have to be ahead of the shift." (Hamm, 2011. para. 2) No work design is perfect and there is always room for improvement. The most successful companies are those that are innovative, open to new ideas and willing to evolve and adapt to their employees and corporate needs.

### **Creating a Culture in the Workplace**

Cultures vary in all the work places across the nation and around the world. The way business leaders manage their employees differ with each person. Dutch professor and social psychologist, Gerard Hendrik Hofstede birthed the idea of cross-cultural groups and organisations. He pioneered the research in developing the cultural dimensions theory. Said Hofstede, "Culture is more often a source of conflict than of synergy. Cultural differences are a nuisance at best and often a disaster." Hofstede also developed the Power Distance Index (PDI) which explained how much distance there was between subordinates/employees and supervisors. This is a numerical value to five cultural dimensions: power distance, individualism,

masculinity, uncertainty avoidance, and long-term orientation (Whetzel, 2010). The greater the PDI, the more distance there was between the supervisors and subordinates.

### **High-Power Distance**

A business leader that has a distant relationship with employees is called a high-power distance. Here, leaders dictate the jobs and responsibilities to the employees. The employees do not ever question authority and do not speak unless spoken to. The manager initiates conversation with the employees, not the other way round. Employees always show the same amount of respect to their managers whether they are in the office or outside the office. Countries with high-power distance include Malaysia, Guatemala, Panama, the Philippines, and Mexico. Their PDI's are 104, 95, 95, 94, and 81 respectively (ClearlyCulture, 2009).

Can you imagine working at a place that has a high PDI? This type of environment can hurt a national difference in their actions, no creative innovation developing, and any type of questioning will be received as disrespect. We see that the world is flattening more with every passing year, but culture still remains deep in different countries. If a manager is expecting to move to a different country with a higher PDI than he's use to, then he'll want to make the changes some of his management style. Some changes include giving clear and explicit directions to those under him. Deadlines should be highlighted and don't let others take initiative. On a similar page, the manager will want to make sure he gives that same distant relationship and submissiveness to those higher up the ladder.

### **Low-Power Distance**

On the other end of the spectrum, the business leader that have a less distant relationships with employees is called a low-power distance. Here, leaders and employees work together, collaborate often and suggest ideas. Employees can question authority and initiate conversation with other employees and supervisors. Employees show an authoritative respect to their supervisors but outside the

workplace, employees and supervisors are treated equally. Countries with the lowest PDI's are Austria, Israel, and Denmark with 11,13, and 18 respectively. United States has a PDI of 40 while United Kingdom has a PDI of 35 (ClearlyCulture, 2009). Whether an employee or upper management, everyone is encouraged to give creative suggestions and express opinions. Furthermore, employees are empowered to make decisions to help move the work along quicker and more efficiently. This idea of spreading the power across other employees gives them safe environment to express new ideas for innovation. Making employees' part of meetings and empowering them with decision making abilities gives them an understanding of the day-to-day executions while lead to a vision of the big picture (Archer). The Psalm goes, "Where there is no vision, the people perish" and in this situation, the company.

### **Flexibility**

Power-distance plays a major role in how flexible a company is. A low power-distance company gives room for flexibility for timing in business is crucial. American companies have been focusing on flexibility a standard in the workplace to provide an open environment of family-friendly workplace. In general, the high paid careers have much responsibility and duty; however, there is a increase in flexibility. It is no longer about the 9-5 structure but rather, getting it done by a certain deadline. Employees working for a flexible company feel less pressure from management. Employees now have options if they have other activities to pursue. For example, if a working mother wants to attend their child's activity, instead of calling in sick and using up a vacation day or sick leave, they can now call someone else to cover their shift or work on their assignment for a returned favor. Of course one cannot go up to their supervisor and demand this day off or what not but most will work with you and plan something out. Companies nationwide are finding ways to offer flexibility for their employees to encourage a family-friendly workplace. Talent is hard to come by so when a company finds great talent, they will do everything they

can to keep them; one of the ways is to provide flexible time for them. Flexibility allows employees to feel satisfied in their job and raise morale. Burnouts and stress become minimal and increase productivity.

## **IDEO**

Many designers and engineers filled the office space of IDEO, one of the world's largest and arguably most successful product development firms. For decades, this innovative firm helped design thousands of new products ranging from the computer mouse to the stand-up toothpaste dispenser. IDEO is an award-winning global design firm that takes a human-centered, design-based approach to helping organizations in the public and private sectors innovate and grow.

Prototyping is central to IDEO's design philosophy. They prototype more than their clients suspects them to do. A team is comprised of high disciplined, high focused, and high educated individuals from various backgrounds. A linguist, a biologist, a marketer, an engineer; these can easily make up a successful team at IDEO. There is no hierarchy.

IDEO's innovation process includes four phases.

1. Understand/Observe
2. Visualize/Realize
3. Evaluating/Refining
4. Implement/Detailed Engineering
5. Implement/Manufacturing Liason.

They meet together at the beginning of the day, discuss what the project is and the issues that need the new product new to resolve. The team will go out of the office, talk to people and do research on their own to find out exactly what the problems are. They start brainstorming, sketching, drawing, designing products that could work. Crazy and wild ideas are encouraged because this triggers other ideas and thoughts. The hundreds of ideas are displayed on the board and the interesting part about choosing which idea is best and the direction is not by upper management but by the project team themselves. They stick post-it notes to the ideas they like. It's a fun environment for employees to work in. The design and creativity is all involved and relied

by the team, not the manager. There is no micro-managing, no restrictions, and no rules; just pure innovation.

IDEO primarily focuses on new creativity and originality in a playful innovative atmosphere. The company uses each other's ideas as a starting point then grow by bouncing other ideas off each other. There are many trial and errors. They don't spend the budget all on one idea or prototype. They make a cheap version; shaving curves, tweaking parts, changing performance just to get the perfect model. The team will use cardboard, pieces of foam, and paper. The company engineers every part. Then when it looks right, they go back to the drawing board for enlightenment for better prototype. Employees are encouraged to be away from the desk. And if they do have a desk, they are encouraged to design their own office space to their personality. One employee has an actual DC wing mounted in the wall. Free, unlocked bicycles facilitate movement between buildings. Designers are encouraged to talk to one another or even call a brainstorming session.

IDEO have a turnover less than 5% which is almost unheard of nowadays. IDEO is an extremely flat organization. Managers hire people employees who are not afraid to say no to them and disagree with them. IDEO Founder, David Kelley said, "It is inconceivable that the head guy in any organization will know all the answers."

## **Resolving Culture Differences**

Despite all efforts made to develop a cohesive and productive corporate culture and design, conflict is an essential part of the growing and development process. It has even been said that "the fact that conflict exists, is not necessarily a bad thing: As long as it is resolved effectively, it can lead to personal and professional growth." (Mind Tools Ltd, 2011, para. 2) In many work places conflict is a part of everyday life so it is essential to understand the types of conflict that can occur and the best way to handle such struggles when they do arise. The different life experiences, ethnicity and perspectives of employees will at some point result in conflict. In an interesting article from the Graziadio Business Review sources

of conflict in the work place are discussed. It states that:

One study that focused upon sources of interpersonal conflicts in the workplace found approximately 62 percent of the primary issues that result in “conflict between subordinates and supervisors” derived from issues such as goal conflict, rejection of employee input, vague task assignments, performance evaluations, work scheduling, and workloads. The same study found that approximately 61 percent of the primary issues that generated “conflict between co-workers” concerned personalities, workload allocation, and goal conflicts and ethics concerns. (Schieberl, 2005, para. 4)

In conflict management there are many theories about the best methods to manage situations effectively and as there is a great variety of conflicts different management approaches are appropriate at different times. Current thinking focuses on Rahim’s five conflict management techniques. They are defined as:

1. Integrating - involves openness, exchanging information, looking for alternatives, and examining differences to solve the problem in a manner that is acceptable to both parties
2. Obliging - attempts to minimize the differences and highlight the commonalities to satisfy the concern of the other party
3. Dominating - one party goes all out to win his or her objective and, as a result, often ignores the needs and expectations of the other party
4. Avoiding - a party fails to satisfy his or her own concern as well as the concern of the other party
5. Compromising - involves give-and-take whereby both parties give up something to make a mutually acceptable decision. (Wikipedia, 2011)

The diagram below illustrates different situations where different management techniques would be appropriate.

To conclude therefore, it is evident that resolving conflict plays a critical role in establishing a successful corporate culture and moreover if conflict is resolved effectively it can help a company becomes even more prosperous.

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