

# *Workplace Strategies for Dynamic Organizations*

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## *Excerpt - Organizational Dilemmas and Workplace Solutions - Intro*

Becker, F. (2000) *Offices That Work: Balancing Cost, Flexibility, and Communication*. New York: Cornell University International Workplace Studies Program (IWSP).

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Organizations face unprecedented pressures to respond quickly to unpredictable and rapid changes in virtually every aspect of their business, including the economy, marketplace, and technology. Agility has become more a matter of survival than choice. At the same time, global competition has turbocharged both the pace of change and the need to contain costs. And as if matters were not complicated enough, labor demographics have generated a conflicting set of employee expectations about the nature of work that organizations must consider as they shape their firms to meet this often bewildering onslaught of external and internal demands. To prosper, organizations must reduce capital and operating costs and increase flexibility and adaptability, while creating a workplace that helps attract and retain the highest quality of staff and enables them to work to their fullest potential.

### *Wicked Problems*

Stating the business challenge is easy: Do more, faster and better, with less. Meeting the business challenge presents the kind of dilemma that, to use Horst Rittel's term, is a "wicked problem". The problems are "wicked" in the sense that they are immensely difficult to solve because a dense web of interconnected factors makes it difficult to understand how decisions in one area will affect decisions in others areas, let alone the overall situation. How a solution works out depends on events beyond the scope of the immediate problem.

Complicating matters further, these problems must be solved in a dynamic and largely uncertain environment that generates significant risk. Conflict arises from competing claims, where "goods" need to be traded-off against "bads" within the same value system. In the workplace arena, the "goods" may be employee preferences and the "bads" the costs of meeting these preferences. Complete consensus is rarer than tofu burgers in Texas. Cornell University's International Workplace Studies Program (IWSP) has sliced into this dense web of interdependent relationships, what Franklin Becker and Fritz Steele have called "organizational ecology", by looking at the nature of

workplace strategies that small, dynamic organizations have developed to help them meet the challenges of doing more, faster and better, with less.

Why small, dynamic organizations? General Electric's recently retired CEO Jack Welch exhorted everyone in the organization to in some sense be agile, to "workout" unnecessary bureaucracy, rules, policies, and practices that contribute minimally to profitability, while slowing business decisions and impeding innovation. The company should be big; but act small. It is good advice, but we really knew very little about the workplace strategies of small firms in fast-growing industries where resources are limited and innovation and speed to market are critical. This article reports on recent research exploring the workplace strategies of "New Economy" firms. Since March 2000 many of these firms have disappeared, but the value of understanding their workplace strategies remains valid; namely, to explore whether small, fast-moving firms' choices about how to shape their work environment provide any insights and lessons for larger firms. We think they do. One reason is that while the "New Economy" may be dead, the need for speed to market, agility, and innovation remains very much alive.

### *The Office as a Social Setting*

Using a combination of employee surveys, systematic behavioral observation, plan analysis, and in-depth interviews, our research focused on how different office types, from closed cellular offices and high-paneled cubicles to team-oriented bullpens and workstation pods influence work effectiveness, flexibility, and costs. , We considered communication a key element of work effectiveness.

What goes on in the office today is not terribly different from offices as we have known them over the past 100 years or so. Yet, in an evolutionary process, what began largely as a social setting evolved into one that more closely resembles a prison cellblock. Enclosure and office size became associated less with the key activities performed in the office that enable the enterprise to persevere and prosper, and more on conveying status and rank. The emphasis also shifted over the course of a hundred years from the early focus in offices to groups of people working together (not always as a team, but rarely physically separated as individuals), to a focus on individual productivity and performance and an environment designed to support and reinforce the individual.

That individual focus and the associated physical model have increasingly come into question over the last decade as firms in industries ranging from insurance and banking to technology and pharmaceuticals have come to rely on teams to grapple with complex problems whose solutions depend on expertise from more than one individual, discipline or department. Interaction and communication have once again emerged as a primary purpose for coming together in a place called an "office."

Organizational agility depends on the creation, distribution, and use of information and knowledge. In fact, "[t]he process by which knowledge is created and utilized in organizations may be the key inimitable resource managers need to appreciate if not understand" . Dess and Picken describe this web of core value-creating activities, along with the organization's structure, systems, processes and culture as "structural capital" . Structural capital, together with intellectual and human capital, is the foundation of organizations today.

Communication and interaction are the oil that enables information to flow fast and smoothly throughout an organization. Without such information flow, decision-speed and the ability to quickly exploit market opportunities dramatically declines. Decision speed varies industry-by-industry (speed for Boeing may be a new product in several years; for Hewlett Packard speed is measured in months), but fast decision makers use more, rather than less, information than slow decision makers. They also develop more rather than fewer alternatives, and consider them simultaneously rather than sequentially. Even job functions like financial analyst, which we have historically viewed as requiring high levels of concentration (and the associated private, closed office), are beginning to change. The luxury of retreating to a private enclave to reflect on data for days, and then write a considered report, has given way to the need to share information continuously, and to use that information flow to make rapid judgments that exploit fast-changing and unpredictable events.

Advances in technology unfathomable twenty or even ten years ago have further shifted the focus of the office from a locus of individual work to a social setting. We can access information from virtually anywhere, anytime with modems and other high-speed connections. We are not absolutely dependent, and will be even less so by the end of the first decade of the 21st century, on information stored in file cabinets or desk drawers in a place called the "office" to be able to carry out our individual daily tasks.

In this context, the major reason for an office today is to bring people together to socialize and share information, to inspire and inform each other, and to provide guidance and feedback. Relatively little of the work of most office workers requires deep, individual concentration for hours at a time. As the literature on computer engineers shows, high levels of interaction and collaboration characterize even this prototypical job function requiring deep concentration. McCue found in a study of software engineers that 30% of the time involved working alone . Zelkowitz, Shaw and Gannon reported that 20% of the software development cycle involved solo coding work .

There do need to be times and places in the office for work requiring concentration, but it is not clear that it requires complete physical separation from others doing the same work. The question, then, is: What workplace strategies can organizations adopt that facilitate communication that underlies productive work, including the development of social relations in which the trust is built that characterizes high performance teams; and at the same time create sufficient opportunities to work without interruption or disruption, and at as low a cost to the organization as possible?