

Ontario Electronics Ltd.**To:** Claude Fortier, Special Assistant to the President**From:** Ian Campbell, President**Subject:** Learning Organizations

First of all, thanks for keeping everything “going” while I attended the annual meeting of the Canadian Electronics Manufacturers Industry Association last week. Our luncheon speaker on the final day talked about how important it is for organizations to be responsive to customer and marketplace needs. One approach she discussed for doing this was becoming a learning organization. I’m now convinced that our company’s future may well depend on how well we’re able to “learn.”

I’d like you to find some current information on learning organizations. Although I’m sure you’ll be able to find

Experiential Exercise

numerous articles about the topic, limit your report to five of what you consider to be the best sources of information on the topic. Write a one-paragraph summary for each of these five articles, being sure to note all the bibliographic information in case we need to find the article later. Since I’d like our executive team to move on this idea fairly quickly, please have your report back to me by the end of the week.

This fictionalized company and message were created for educational purposes only, and not meant to reflect positively or negatively on management practices by any company that may share this name.

CASE APPLICATION #1**A New Kind of Structure**

Admit it. Sometimes the projects you’re working on (school, work, or both) can get pretty boring and monotonous. Wouldn’t it be great to have a magic button you could push to get someone else to do that boring, time-consuming stuff? At Pfizer, that “magic button” is a reality for a large number of employees.⁶²

As a global pharmaceutical company, Pfizer is continually looking for ways to help employees be more efficient and effective. The company’s senior director of organizational effectiveness found that the “Harvard MBA staff we hired to develop strategies and innovate were instead Googling and making PowerPoints.” Indeed, internal studies conducted to find out just how much time its valuable talent was spending on menial tasks was startling. The average Pfizer employee was spending 20 percent to 40 percent of his or her time on support work (creating documents, typing notes, doing research, manipulating data, scheduling meetings) and only 60 percent to 80 percent on knowledge work (strategy, innovation, networking, collaborating, critical thinking). And the problem wasn’t just at lower levels. Even the highest-level employees were affected. Take, for instance, David Cain, an executive director for global engineering. He enjoys his job—assessing environmental real estate risks, managing facilities, and controlling a


multimillion-dollar budget. But he didn’t so much enjoy having to go through spreadsheets and put together PowerPoints. Now, however, with Pfizer’s “magic button,” those tasks are passed off to individuals outside the organization.

Just what is this “magic button”? Originally called the Office of the Future (OOF), the renamed PfizerWorks allows employees to shift tedious and time-consuming tasks with the click of a single button on their computer desktop. They describe what they need on an online form, which is then sent to one of two Indian service-outsourcing firms. When a

request is received, a team member in India calls the Pfizer employee to clarify what’s needed and by when. The team member then e-mails back a cost specification for the requested work.

If the Pfizer employee decides to proceed, the costs involved are charged to the employee’s department. About this unique arrangement, Cain said that he relishes working with what he prefers to call his “personal consulting organization.”

The number 66,500 illustrates just how beneficial PfizerWorks has been for the company. That’s the number of work hours estimated to have been saved by employees who’ve used PfizerWorks. What about Joe Cain’s experiences? When he gave the Indian team a complex project researching strategic

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actions that worked when consolidating company facilities, the team put the report together in a month, something that would have taken him six months to do alone. He says, “Pfizer pays me not to work tactically, but to work strategically.”

Discussion Questions

6-22 Describe and evaluate what Pfizer is doing with its PfizerWorks.

6-23 What structural implications—good and bad—does this approach have? (Think in terms of the six organizational design elements.)

6-24 Do you think this arrangement would work for other types of organizations? Why or why not? What types of organizations might it also work for?

6-25 What role do you think organizational structure plays in an organization’s efficiency and effectiveness? Explain.

CASE APPLICATION #2

Volunteers Work

They’re individuals you might never have thought of as being part of an organization’s structure, but for many organizations, volunteers provide a much-needed source of labor.⁶³ Maybe you’ve volunteered at a Habitat for Humanity build, a homeless shelter, or some nonprofit organization. However, what if the volunteer assignment was at a for-profit business and the job description read like this: Want a job where you work only a couple of hours a day at your computer answering customers’ technical questions, all for no pay. Many large corporations, start-up companies, and venture capitalists are betting that this new group of talented “volunteer” individuals who are quite knowledgeable about the Web and other technical areas will alter how customer service is provided.

Self check-outs. Self check-ins. Pumping your own gas (although most of you are probably too young to remember having an attendant that pumped your gas, checked your oil, and washed your windshield). Filling out online forms. Businesses have become very good at getting customers to do free work. Now, they’re taking the concept even further, especially in customer service settings, by getting “volunteers” to perform specialized work tasks.

The role that these volunteer “enthusiasts” have played, especially in contributing innovations to research and development efforts, has been closely researched in recent years. For example, case studies highlight the product tweaks made by early skateboarders and mountain bikers to their gear. Researchers have also studied the programmers behind open-source software like the Linux operating system. It seems that

individuals who do this type of “volunteering” are motivated mainly by a payoff in enjoyment and respect among their peers and to some extent the skills they’re able to develop. Now, as the concept of individuals volunteering for work tasks moves to the realm of customer service, can it work and what does it mean for managers?

For instance, at Verizon’s high-speed fiber optic Internet, television, and telephone service, “volunteers” are answering customer questions about technical matters on a company-sponsored customer-service Web site for no pay. Mark Studness, director of Verizon’s e-commerce unit was familiar with Web sites where users offered tips and answered questions. His chal-

lenge? Find a way to use that potential resource for customer service. His solution? “Super” or lead users—that is, users who provided the best answers and dialogue in Web forums.

The experiment at Verizon seems to be working well and these online “volunteers” can be an important addition to a company’s customer service efforts. Studness says that creating an atmosphere that these super users find desirable is a key consideration because without that, you have nothing. A company that worked with Verizon to set up its structure said that these super or lead-users are driven by the same online challenges and aspects as fervent gamers are. So they set up the structure with an elaborate rating system for contributors with ranks, badges, and “kudos counts.” So far, Studness is happy with how it’s gone. He says the company-sponsored customer-service site has been extremely useful and cost efficient in redirecting thousands of questions that would have been answered by staff at a Verizon call center.

Organizations are using “volunteers” to do specialized work tasks.