

Four Radically Different Cultural Models: Best Buy, Google, GE, Semco

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These days, company culture seems nearly as important as financial performance, and the two have become inextricably linked. The new rules of management call for keeping employees happy, which in turn keeps them productive and contributes to the company's bottom line. But how exactly to pull all that off is up for debate. We took a look at four very different models of people management at some of the world's most successful companies to find out what makes each tick.

General Electric: The Ruthless Meritocracy

Philosophy:

Six Sigma (with some room for bringing in new ideas). True to GE's past, the massive company still strives for perfection through efficiency, but CEO Jeffrey Immelt is pushing innovation just as hard to make up for [Six Sigma's tendency to kill creativity](#)

Org Hierarchy:

Flattened pyramid. Mandates still come from the top, but management sets aside time to cull the wisdom of GE's masses.

Notable Perks:

A well-established leadership development program. Every year about 9,000 GE employees attend classes at the company's leadership center in Crotonville, NY.

Evaluations:

Metrics, metrics, metrics. Under Jack Welch, the company made [forced ranking](#)

popular, which weeds out mediocrity by removing the bottom 10 percent of performers. GE still ranks employees today, and Immelt has introduced ratings to evaluate leadership fitness and creativity.

Career Development:

It pays to specialize. In a break with Welch's focus on developing generalists, the new top performers who climb the ranks become experts in their fields.

Work-Life Balance:

Old school. [GE won accolades for letting two mothers share one job](#)

, but it took the company several years to figure out how to reward the duo with a promotion because of the unusual arrangement.

Where It Works:

Large, process-oriented corporate environments that prize consistency and control.

Google: The Whimsical Idea Factory

Philosophy:

(Slightly) controlled chaos. Build fantastic facilities that eliminate employees' everyday hassles and make them want to come to work (and stay there). Let them tinker and watch the sparks fly.

Org Hierarchy:

Flat. To maximize creativity there are no official channels, which means ideas and new initiatives flow from every direction.

Notable Perks:

The list is long

. Most unexpected? \$500 to pay for postpregnancy takeout dinners.

Evaluations:

Peer focused. Although individual ideas will make you stand out, executing those ideas successfully rests solely in how well you work in teams.

Career Development:

The 20 percent rule. Want to work on your own individual project? Great. Google institutionally encourages setting aside 20 percent of your time to do that.

Work-Life Balance:

The campus environment encourages a collegiate lifestyle. Work is where you make friends, play, eat, do your laundry.

Where It Works:

Creative companies that are flush with cash.

Best Buy: The Every-Day-Is-Saturday Model

Philosophy:

We're all adults here. Work is not a place you go, it's something you do, so there's no reason for the company to dictate when and where employees work. Managers look solely at results produced, not hours spent at a desk or in meetings.

Org Hierarchy:

Traditional. Some things don't need to change.

Notable Perks:

Trust. No one judges where you are or how you're getting your work done.

Evaluations:

Customer driven. Along with your manager, the customer is in the best position to know how well you're delivering results.

Career Development:

Merit-based promotions. In a results-only environment, schmoozing the boss won't get you anywhere.

Work-Life Balance:

Unlimited paid vacation. If you get your work done, what you do with the rest of your time is up to you.

Where It Works:

Best for offices rather than retail or manufacturing floors.

Semco: The Extreme Democracy

Philosophy:

Employees run the show, which means transparency in all things. Salaries are public knowledge, and complaints about managers are posted for all to see. Semco, a conglomerate that does everything from industrial engineering to environmental consulting, has no corporate strategy (really) and no predefined career paths. The idea is that workers should be the ones who identify strategic opportunities — for both the company and themselves.

Org Hierarchy:

Nonexistent. Semco has no official structure, no human resources or IT department, not even a fixed CEO (the job rotates). Employees elect managers by vote, and managers make new hires by consensus.

Notable Perks:

The right to participate. Set your own salary, choose your own IT platform, vote on company initiatives, and take your share of company profits (each department votes on the profit-sharing plan).

Evaluations:

Democratic vote. No promotion is given without first letting co-workers have their say. Subordinates anonymously evaluate managers and can vote them out of office.

Career Development:

No job descriptions — which means nothing is off-limits. Want to change jobs? Form your own division? Try your hand at being CEO? It's all possible.

Work-Life Balance:

Vacations are mandatory. No exceptions. Plus, with the Retire-a-Little-Bit project, employees can start taking retirement early by not working one day each week.

Where It Works:

Privately held, entrepreneurial-minded organizations, large or small (Semco has more than 3,000 employees).
