

CASE INCIDENT 1 Creative Deviance: Bucking the Hierarchy?

One of the major functions of an organizational hierarchy is to increase standardization and control for top managers. Using the chain of command, managers can direct the activities of subordinates toward a common purpose. If the right person with a creative vision oversees a hierarchy, the results can be phenomenal. For example, until Steve Jobs's passing in October 2011, Apple had used a strong top-down creative process in which most major decisions and innovations flowed directly through Jobs and were subsequently delegated to teams as specific assignments to complete.

Then there is creative deviance, in which individuals create extremely successful products despite being told by senior management to stop working on them. The electrostatic displays used in more than half of Hewlett-Packard's instruments, the tape slitter that was one of the most important process innovations in 3M's history, and Nichia's development of multibillion-dollar LED bright lighting technology were all officially rejected by the management hierarchy. In these cases, an approach like Apple's would have shut down some of the most successful products the companies ever produced. Doing business as usual can become such an imperative in a hierarchical organization that novel ideas are seen as threats rather than opportunities for development.

Sources: Based on C. Mainemelis, "Stealing Fire: Creative Deviance in the Evolution of New Ideas," *Academy of Management Review* 35, no. 4 (2010): 558–78; and A. Lashinsky, "Inside Apple," *Fortune*, May 23, 2011, 125–34.

It's not immediately apparent why top-down decision making works so well for one highly creative company like Apple, while hierarchy nearly ruined innovations at several other organizations. It may be that Apple's structure is quite simple, with relatively few layers and a great deal of responsibility placed on everyone for his or her own outcomes. Or it may be that Apple simply had a unique leader who was able to rise above the conventional strictures of a CEO to create a culture of constant innovation.

Questions ★

- 15-10.** Do you think it's possible for an organization to create an anti-hierarchy to encourage employees to engage in more acts of creative deviance? What steps might a company take to encourage creative deviance?
- 15-11.** Why do you think a company like Apple is able to be creative with a strong hierarchical structure, whereas other companies find hierarchy limiting?
- 15-12.** Do you think Apple's success was entirely dependent on Steve Jobs's role as head of the hierarchy? What are the potential liabilities of a company's being so strongly connected to the decision making of a single individual?

CASE INCIDENT 2 Turbulence on United Airlines

The beginning of 2017 was not good for United Airlines. Several incidents involving United Airlines personnel enforcing a variety of rules, regulations, and protocols in employees' interactions with customers caused international outcry. The first incident involved two teenagers who were wearing leggings for their flight from Minneapolis to Denver. They were stopped by the gate agent and not allowed to board for violating the United Airlines travel perk program. These travel perk passes hinge on a requirement for users of the passes to dress themselves so that the airline is presented in a favorable light. United defended its decision via Twitter: "Leggings are not inappropriate attire except in the case of someone traveling as a pass rider." Comedian Seth Rogan tweeted, "We here at @United are just trying to police the attire of the daughters of our employees! That's all! Cool, right?"

A second, more severe incident occurred when David Dao, a doctor who needed to see his patients the following morning, was aboard a Louisville-bound flight from Chicago in April. Four United employees needed to get

to Louisville at the last minute, and it was announced that four people needed to give up their seats or else the flight would be cancelled. Attendants called the police after no one complied. The police approached Dao and forcibly removed him from the plane. Dao suffered a broken nose and concussion after his head smashed into an armrest. United policy allowed for the involuntary removal of passengers from flights, although this time United was not as defensive. Dao later filed a lawsuit against United for its actions.

A third incident, in Houston, involved a soon-to-be-married couple, Michael and Amber, headed to Costa Rica for their wedding. When they entered the plane, they noticed a man sleeping in the row where their seats were assigned. Instead of disturbing him, they found some seats three rows up and sat there instead. They were soon asked by an attendant to return to their seats and they complied. A U.S. marshall approached them soon after and ejected them from the plane. According to United statements, the couple "repeatedly" tried to sit in upgraded seats and

would not follow the instructions of the attendants and crew members, and, as such, they were within their power to eject the passengers.

These incidents suggest that, starting with the structure as created by the CEO, United employees do not have much latitude or flexibility when dealing with day-to-day policy breaches. Taking cost-minimization and efficiency-boosting strategies to the extreme may also have had an effect given that the focus drifted from the customer and toward rule following. Many attribute this inflexibility to the strict, rule-following bureaucracy created by United managers. In this bureaucracy, their 85,000 employees may be reluctant to deviate from the rules—intracompany historical precedent suggests that many employees face termination if they break the rules.

Sources: Based on S. Carey, “Behind United Airlines’ Fateful Decision to Call Police; Airline’s Rules-Based Culture in Spotlight after Man Was Dragged off Flight by Law Enforcement,” *The Wall Street Journal*, April 17, 2017; J. Disis and J. Ostrower, “United Airlines in Twitter Trouble over Leggings Rule,” *CNN Money*, March 27, 2017, money.cnn.com/2017/03/26/news/united-airlines-twitter-dress-code/; A. Hartung, “Why United Airlines Abuses Customers: The Risks of Operational Excellence,” *Forbes*, April 10, 2017, <https://www.forbes.com/sites/adamhartung/2017/04/10/why-united-airlines-abuses-customers-the-risks-of-operational-excellence/#78a1af3fbb10>; M. Hiltzik, “At United Airlines and Wells Fargo, Toxic Corporate Culture Starts with the CEO,” *Los Angeles Times*, April 17, 2017, <http://www.latimes.com/business/hiltzik/la-fi-hiltzik-toxic-united-wells-20170411-story.html>; and E. C. McLaughlin, “Man Dragged off United Flight Has Concussion, Will File Suit, Lawyer Says,” *CNN*, April 14, 2017, <http://www.cnn.com/2017/04/13/travel/united-passenger-pulled-off-flight-lawsuit-family-attorney-speak/>.

Questions ★

- 15-13.** How do you think United Airlines should have handled the recent string of incidents? Do you think that United Airlines was within its power to have removed these people from the flights? Why or why not?
- 15-14.** What are the pros and cons of having a bureaucratic organizational structure for an airline? Do you think the pros and cons are justified for United Airlines and that they should keep the structure they have? Why or why not?
- 15-15.** What do you think United Airlines should do in the future? Do you have any suggestions for enhancements or improvements to the United Airlines organizational structure? Would you consider restructuring? Why or why not?

MyLab Management Writing Assignments

If your instructor has assigned this activity, go to www.pearson.com/mylab/management for auto-graded writing assignments as well as the following assisted-graded writing assignments:

- 15-16.** After reading Case Incident 2, do you think it is possible for organizations to merge more than one type of organizational structure and retain elements of each type? Is it possible for United Airlines to have both a bureaucratic and a more flexible structure at the same time? How so?
- 15-17.** Based on what you’ve discovered about your personality traits on the Big Five Model through your organizational behavior studies in Chapter 5, in which organizational structures might you work best?
- 15-18. MyLab Management only**—additional assisted-graded writing assignment.