

“Organisational Structure and Culture of ‘The 3M Company’ – A Case Study”

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The **3M Company**, once the Minnesota mining and manufacturing company, a US based multinational conglomerate with 88000 employees worldwide and more than 55000 products (ranging from adhesives to thin film applications) has been known for decades as an entrepreneurial organisation that pursues growth through innovation. It generates a quarter of its annual revenues from products less than five years old.

3M’s organisational structure and environment is based on an intense culture of research through entrepreneurial development of its employees. In the 1920’s it developed the policy of allowing researchers to spend 15% of their time working on their own projects. Up to this day the company has made it a point to make innovation a part of its culture by encouraging its employees to spend almost 15% of their time generating pet ideas that can someday become new products of the company. Perhaps the most popular outcome of this practice at 3M was the invention of Post it notes by Art Frye who used a new glue developed in 3M’s labs, that wouldn’t dry with yellow paper to mark pages in a hymn book.

The culture at 3M, evolved out of the core values of its place of origin, is a non-political, low ego, egalitarian and non-hierarchal. An orientation towards achievement and a paternalistic approach towards its employees especially in research and new product development is strong. The leader of the team often became the general manager of the division and this was seen as a great motivator.

3M’s organizational structure is divided into a corporate research lab that develops new technologies and socializes those technologies across the divisions. The division’s research laboratory works closely with end-users to develop modifications to existing product lines

Developing new product lines and capabilities that are new to the world emerges from a socialisation of the workforce across the various product lines. This explanation identifies the realization that the success of 3M’s product lines relies on its workforce communicating across divisions and big business units.

3M fosters these lines of communication by providing many avenues for interaction. These avenues include: technology forums that occur approximately once per quarter in some fashion; the 3M club, a social club; and the many educational opportunities the company offers its employees. Additionally, it is common company understanding that business lunches are encouraged among peers

Additionally, it is noted that the workforce entitlements are the same across all levels, meaning all managers receive the same style of furniture regardless of the building location or the team they work for. The management team is distinguished from the workforce by possession of an office and a meeting table within the office. The workforce members all have the same desk and chair style and size. This equality provides common ground and encourages collaboration because all parties receive equal treatment and equal rewards.

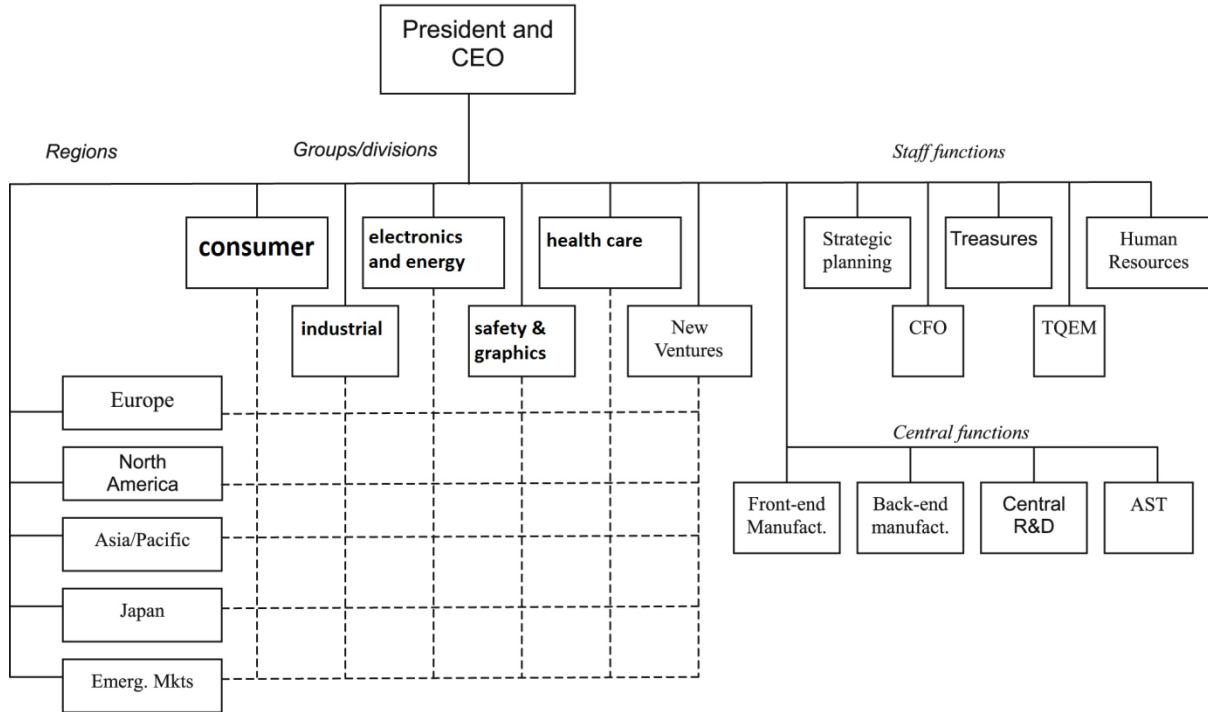
The environment is one of the critical elements that leads to 3M's culture of innovation. The collaborative building layout and the workforce's collaborative interaction with the managers, who facilitate the work and answer questions rather than just focusing on the next task, allows the workforce to manage the deliverables themselves and leaves the managers the freedom to provide leadership and guidance to the workforce. The environment gives the workforce the capability to research and test ideas within a laboratory readily and easily. This fosters business processes that are well-defined and organized to identify the critical items to the workforce.

The 3M environment couples building design, a campus layout, a tiered management of direct reporting, business process identification (Stage-Gate) and management to create an innovative environment that balances management with technical excellence. The smaller, direct-reporting style allows managers to continue technical work and mentor the workforce.

The organic-mechanistic framework provides a popular and yet simple taxonomy of general structural properties of organisations. This design is similar with bureaucratic and high departmentalisation, high level of formalisation and mainly downward level of communication and acceptance of employees' participation in decision making. It has low formalization, lateral and upward and downward communication networks, and high participation in decision making

The control or creativity orientation is an important and common dimension that underpins many strategic management choices. In the control orientation operational excellence is mainly marked by a highly disciplined and structured way of doing business. To achieve excellence, businesses in this class have to establish and follow strict processes aimed at utmost efficiency. Federal Express, Air Asia and retail giant Wal-Mart exemplify the control orientation. On the opposite end of the strategic spectrum is the creativity or innovation-oriented competition strategy. In essence these firms compete by investing in research and development and also by creating a flexible environment for people to experiment and to innovate. 3M is the classic example.

Exhibit – 1: The formal international 3M organisation structure



Source: European journal of innovation management

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