TechCo, the conversational firm at the center of Catherine Turco’s ethnography, is a fast-growing social media marketing company. Turco opens *The Conversational Firm: Rethinking Bureaucracy in the Age of Social Media* by introducing the founders of the firm, Eric and Anil, whose mission is “radical openness” in the service of succeeding in the digital economy (p. 15). Eric and Anil believe their organization must be nimble, responding directly and personally to their business customers through social media of all types. They abhor bureaucracy, hate hierarchy, and envision an open organization that gives people freedom through radical transparency.

Turco then takes us to the desk of Emma, a young millennial who works in customer support. Emma “fell in love” with the young, connected, and “human” social media persona of TechCo (p. 19), a welcome contrast to the out-of-touch “old fogies” who ran the advertising agency where she did her college internship. As Emma describes it, the company’s voice was a personal and fun one, not like that of a corporation; and she knew that she could bring the skills she used naturally as a digital native to her job supporting the customers at TechCo. Emma now spends her days in a large, buzzing, open space with other support engineers, troubleshooting customers’ problems with TechCo’s software over the phone while engaging in online chats with her hip colleagues, eating free cereal and drinking coffee (or free pizza and beer as the day progresses).

Perks, open kitchens, and bonhomie are by now a common image of high-tech startups, but radical transparency is a new and critical twist, one that triggered a rising feeling of horror in me. I am fairly sure I am one of those old fogies! I’m not the only one worried, of course. Dave Eggers framed his recent dystopian novel, *The Circle* (2013), around a similar theme. In fact, his protagonist, Mae, also starts in customer support; apparently customer support is the mailroom of the tech startup world. Mae’s early twinges of skepticism give way to an ardent embrace of radical transparency, and she begins living every moment of her life onscreen, to the mortification of her family and friends.

However, as I was drawn into the world Turco depicts, my horror seemed somewhat overblown. Her study of TechCo demystifies high-tech hubris, opening it up to analytic examination. She is nuanced in her account and open-minded in her treatment of TechCo’s natives, both at the top and the bottom of the organization. What we see in the book is a firm that is struggling to maintain openness in its approach to organization and management while faced with the challenges that all growing organizations encounter. The leaders’ conviction that “bureaucracy is bad” confronts the tensions created by enabling transparency without providing structure. TechCo encounters problems that range from critical to quotidian: workers who lack the expertise to make good decisions on their own, people unable to locate their colleagues because nobody takes the time to compile an employee directory, and those ubiquitous kitchens filled with stinky trash.
By exploring these tensions, Turco shows us not only what it feels like to work in a “transparent” digital startup, but also how this form of transparency relates to bureaucracy and contributes to our understanding of how organizations work. Turco argues that TechCo’s move toward radical transparency, while attempting to transcend bureaucracy, actually separates different forms of hierarchy: voice and communication rights are given to employees, but authority and decision rights are not always shared. At TechCo, employees can and do voice their opinions on a daily basis through multiple channels: frequent executives’ posts on the company wiki draw hundreds of comments, employees attend “Hack Nights” to help solve challenges such as customer churn, and colleagues join dinners to share their thoughts with each other and offer ideas for improving company processes to the top leaders in “Experiments Meetings.” However, in the words of CTO Anil, “‘Opinions can be heard but that doesn’t mean decisions are by popular vote’” (p. 69); employees recognize that there is a chain of command. By dividing rights this way, TechCo is unlike other forms of post-bureaucratic organization, which either provide both voice and decision rights to employees, often hindering growth, or ultimately renege on decision rights, breaching the commitments made to employees and undermining trust.

TechCo does try to provide decision rights in some circumstances, and its leaders discover the importance of tempering openness with elements of structure and bureaucracy. For instance, when Eric and Anil hear about Nordstrom’s very short employee handbook, they adopt Nordstrom’s “‘Use Good Judgement’” (UGJ) rule. At first this rule applies to being responsible about drinking the free beer; but as the company grows it spreads not only to perks like free food and bringing dogs to work, but to traditional work-life domains like flexibility of work hours and vacations, and it eventually becomes the organization’s overarching mantra.

However, when UGJ reaches the level of work-related decisions, inequality in application and inconsistency of interpretation cause confusion and resentment. For instance, software engineers were allowed to make their own daily work schedules, but in customer support, people worked fixed shifts and were not given a choice of which shift they worked. These inequalities, while noticed, were less problematic than the confusion resulting from the UGJ rule. When managers told people to “‘use good judgment’” in implementing a policy change or structuring their work, they did not anticipate the multiple ways it could be interpreted. As one manager complained, “‘If you don’t have people who agree with what good judgment is or people who are so young they don’t know what it is, how can you use it?’” (p. 82). Some employees resented the oft-repeated injunction to UGJ, saying that it was a “‘cop-out’” to avoid making decisions. And those managers who wanted to create stronger structure for their teams found that this was not always appreciated: one sales manager who gave direct feedback and clear guidance to a team member was told that she failed to live up to UGJ.

Ultimately, managers discovered that for UGJ to be an effective policy, TechCo needed to provide solid, formal, job-specific training. Likewise, the initial “‘new world order’” created at TechCo did not include a Human Resources department (p. 129), but eventually employees wanted to standardize performance reviews, hiring, promotion, and termination. After they voiced their concerns, the leadership created a “‘People Operations’” department to implement a set of human resource policies.

As Turco carefully traces out the tensions and complementarities between lines of communication and decision-making, she makes the point that TechCo’s leaders misunderstood what their workers expected. Their employees did not care if there was some structure as long as they were given a voice in the direction that the practices took—they are a conversational firm, not an anti-bureaucratic one. She illustrates this argument again with a description of the social media hoopla generated by TechCo’s culture deck, a set of slides that Anil created with the intention of releasing as a public document about the firm. The deck went viral, surpassing expectations for its impact as a marketing tool, but the internal response to the deck was critical. Employees’ experiences of the firm’s culture were not what
the deck portrayed, and they felt betrayed by
the leaders and wondered if anyone in the
firm was actually “feeling the TechCo-love”
(p. 121). They did not hesitate to voice their
concerns on the wiki, on the employee sur-
vey, and in meetings. The executives
responded, making efforts to close the gaps
between the deck and the reality of working
at TechCo. With voice, employees attained
the measure of input they wanted, and they
were willing to cede authority and accept
structure in return.

In addition to unpacking how TechCo
modifies bureaucracy, The Conversational
Firm is a rare and wonderful empirical
document that presents life in a digital startup. TechCo,
as a company that sells social media soft-
ware, is an ideal (if extreme) setting to examine
how embracing a public social media presence influences internal organization,
structure, and practices. In less conversa-
tional firms, employees are not expected to
regularly identify externally with the organi-
zation, promote it, and link their personal
images to the image of the organization. In
fact, many organizations prohibit employees
from making public links to their identity. In
contrast, TechCo eschews a formal social media policy in favor of UGJ: the executives
want workers to tweet about the firm or post on Facebook with their affiliation evident.
Building their brand depends on external
employee engagement, not only with customers but with the public. For instance,
the example of the culture deck illustrates
what an open orientation means for firms
and their employees in the era of social
media. Anil intended the culture deck to be
used for external marketing, not internal
training, and he wanted it to help TechCo
attract people who were the right fit for their
culture. After he blogged about the deck,
employees tweeted about it (some before
they had actually read it), helping the com-
pany become a corporate culture media
darling.

I hope that Turco’s analysis inspires scholars to wend their way into other
digital-age startups to further explore the
many questions her study of TechCo raises
about how they are organized. Both a look
to the past and a glance at the current busi-
ness press suggest that there are many differ-
ent ways that organizations allocate voice
and decision-making rights. For instance,
the practices she describes resonate with those that Jeff Pfeffer and others have docu-
mented in manufacturing organizations that adopted high-involvement work prac-
tices in the 1990s (Pfeffer 1996; Pil and
MacDuffie 1996). In those organizations,
workers were explicitly expected to fully
engage in decision-making as well as to
have a voice in the organizations. For this
to be effective, manufacturing firms carefully
hired and trained workers, as well as sup-
ported them with information systems, and
couraged them to communicate with customers (see also Stayer 1990 for a CEO’s
view of his high-involvement workplace).

Moreover, “transparency” is but one of the
latest challenges to bureaucracy; holacracy is
also receiving attention. In a holacracy,
organizations disband classic hierarchy by assigning people to “circles” or “pods” and
allowing them to claim multiple “tasks”
and “roles” rather than fit their job titles
into an organizational chart (Bernstein,
Bunch, Canner, and Lee 2016). However,
coordinating all those roles requires exten-
sive information systems as well as compi-
lcated voting schemes to determine who
gets to do what in which circle. In a holacracy,
therefore, decision and voice rights are both
reallocating, but in a diffuse and complicated
way; and many firms who have adopted this
form struggle with a proliferation of confusing rules and relationships.

If we think about the split between deci-
sion and voice rights as different aspects of
bureaucracy, examples such as these become
important to consider. In what ways are these
interacting with one another, and how are
they related to other organizational charac-
teristics (bureaucratic or otherwise)? While
Turco claims that at TechCo decision rights
are not necessarily pushed down to lower
levels, in her analysis she shows many
ways in which both voice and decision rights
are negotiated by organization members on
a regular basis. The examples of TechCo
and other post-bureaucratic forms suggest
that the relationship between voice and deci-
sion rights is complicated and worth further
investigation.

One way to get at the nature of this compi-
lcated relationship is by considering the work
that people do inside high-tech startups. I
was curious about the work inside TechCo—Turco’s descriptions are rich and lively and give a thorough, deep sense of the TechCo culture. But aside from her short depictions of Emma in customer support and details about a few meetings she attended, the only time I got a sense of the work people were doing was when she described how engineers effectively implemented UGJ. Not only did engineers share technical expertise, but they were allocated narrower voice rights (in other words, engineering managers were more directive about the broader project). The fact that engineers in this firm were organized differently on the basis of their work seems telling. What might we uncover if we looked more closely at how organizations balance authority and voice based on the work or occupations of their members?

The pitfalls that high-tech startups seem to be stumbling into, over and over, seem somewhat basic to this old fogey. Organizational sociologists and management scholars have developed some wisdom over the years. We know, for instance, that bureaucracy provides the infrastructure that facilitates collaboration in organizations: it clarifies people’s responsibilities, creates a structure of relations between workers, and regularizes processes (Weber [1922]1978; Okhuysen and Bechky 2009; Monteiro 2017). TechCo executives’ cavalier dismissal of this knowledge with a blanket “bureaucracy is bad” statement suggests they should have taken a basic management class. However, I also recognize that their intentions were good and wonder how much TechCo’s balancing act relied on benevolent leadership. Eric and Anil, for all of their capitalist bluster, maintained their interest in listening when employees raised their concerns and ideas. They worried that the culture deck didn’t reflect reality and tried to make change. In the hands of managers like Dave Eggers’s Mae, TechCo might not have been as responsive to workers’ voices.

References


