

# ORGANIZATIONAL BEHAVIOR AND HUMAN RESOURCE MANAGEMENT

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Lesson 09

AUTONOMY



2



# AUTONOMY

1. KEY CONCEPT: SELF-DETERMINATION THEORY
2. EXAMPLES IN COMPANIES
3. IMPLICATIONS FOR HRM

# Self-Determination Theory (SDT) (Deci e Ryan)

- according to SDT, all human beings have a strong desire to be and feel **autonomous**
  - SDT also posits that humans have a strong need for **competence** and **relatedness**
- autonomy should not be understood as «complete independence» from others
  - in organizations (or in any society) this is never possible
- autonomy, instead, is about providing employees with a significant possibility to make decisions, to self-expression and voice within an interdependent context
  - in other words, **a good balance between autonomy and coordination is absolutely necessary**

# Benefits of autonomy

## FOR ORGANIZATIONS:

### — INCREASED PERFORMANCE and PRODUCTIVITY:

- empirical studies show that more autonomy leads to increased **motivation**, **commitment**, **effort**, **persistence**, **morale**, which lead to better performance and productivity
- increased autonomy also creates more opportunity to **optimize** and **customize** workflow to one's **strengths** and **preferences**, leading to better performance and productivity

### — INCREASED INNOVATION

- autonomy allows more freedom to **explore** new ideas, **experiment** and develop more innovative solutions

## FOR INDIVIDUALS:

- increased **intrinsic** motivation (with more autonomy, the activity itself becomes more pleasurable, as it satisfies a fundamental need, so it becomes a goal in itself)
- enhanced **job satisfaction** (greater sense of ownership and fulfillment)
- increased psychological and physical **well-being**: better alignment with personal values and interests, reduced burnout and stress (leading to physiological benefits such as cardiovascular health, better sleep quality, lower absenteeism because of health issues)
- improved **learning**: the exploration allowed by autonomy exposes individuals with more learning opportunities

# Risks of autonomy

## FOR ORGANIZATIONS:

- **inconsistent performance** (misalignment of individual goals and organizationa goals)
- **need to radically rethink leadership** (for «traditional» managers who think about their job as centered on their ability to control and exercise authority)
- **difficulty and/or inefficiency of coordination** (decentralization makes coordination more time-consuming, but not necessarily less effective, while centralization is more efficient, but not necessarily more effective)

## FOR INDIVIDUALS:

- **overload and burnout** (when employees take on excessive tasks or responsibilities, in relation to their resources)
- **decision fatigue** (as autonomy involves decision making, it may lead to mental exhaustion)
- **isolation** (if autonomy is not balanced with collaboration, individuals may feel isolated from their peers or from the organization, which may reduce engagement)

# Contextual factors that influence the effectiveness of autonomy

## TASK TYPE

- creative, complex, non-routine tasks benefit more from autonomy (compared to repetitive, standardized tasks, which require adherence to available procedures)

## ORGANIZATIONAL CULTURE

- culture and norms that support trust, empowerment and open communication allow to increase the effectiveness of autonomy (compared to norms of rigid control)

## INDIVIDUAL CHARACTERISTICS

- individuals with higher levels of self-efficacy, experience, competence are better positioned to take full advantage of more autonomy

## LEADERSHIP

- leadership styles that are supportive of employees' initiative, provide feedback, focus on learning, increases the benefits of autonomy

a few EXAMPLES and CASE STUDIES



the 3M example



*«it's not the companies that innovate,  
but the people ...  
the best thing companies can do is to create  
and maintain an atmosphere in which people  
are willing to assume risks and innovate»*

*(William McKnight, 3M ceo 1949-1966)*

## THE COMPANY



- 3M (Minnesota Mining & Manufacturing)
- 2023 figures: 33 billion in turnover, 85,000 employees, 70 countries, over 36,000 patents and 50,000 different products (!!), in a wide variety of sectors:
- industrial (automotive, design and construction, manufacturing, transport, etc.)
- health care
- electronics
- consumer products
- Strategic objective: to achieve at least 30% of turnover from sales of products not older than 4 years





## A LITTLE BIT OF HISTORY

Founded in 1902 in Duluth, Minnesota

to extract minerals for the purpose of producing sandpaper

significant mistakes and initial difficulties

the meeting with Francis Okie and the creation of "Wetordry", the first great success

still sold today, after more than 100 years

Richard Drew was hired, and the story of the "masking tape" (1925), the "Scotch" tape (1930) and the "bootleg time" was born



Francis Okie

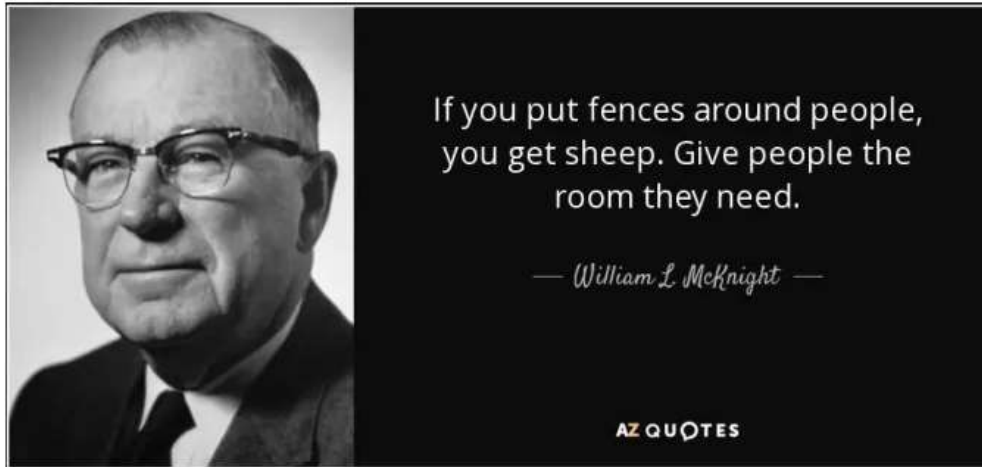
Richard Drew





## 3M'S PHILOSOPHY IN A FEW PHRASES BY WILLIAM MCKNIGHT

William McKnight, CEO of 3M 1949 - 1966



"Management that is destructively critical when mistakes are made kills initiative. And it's essential that we have many people with initiative if we are to continue to grow."

«hire capable people and leave them alone"

«As our business grows, it becomes increasingly necessary to delegate responsibility and to encourage men and women to exercise their initiative. This requires considerable tolerance. Those men and women, to whom we delegate authority and responsibility, if they are good people, are going to want to do their jobs in their own way.



- **BOOTLEG TIME**
- Every technician, at ANY level, **can devote 15% of their working time to individual projects of any kind**
- The rule is applied flexibly: some use much more than 15%, others not at all, based on preferences, ideas they are pursuing etc
- They can look for an internal "sponsor" to obtain resources (budget, time, equipment, colleagues) in order to be able to better develop your individual project
- in their business unit, or bypassing the hierarchy (both vertical and horizontal)
- very flexible resource allocation mechanisms open to new developments

## KNOWLEDGE SHARING TOOLS



- **Technical Coordination**

- Central database of technical knowledge
- managed by a specialized team
- for internal consulting
- **ALL employees can access and contribute**

- **Forums and seminars**

- Numerous initiatives for **the exchange of knowledge** of various kinds create opportunities for **interaction, dialogue, collaboration**
- technical forums
  - informal communications, seminars, committees
  - lab forums
  - networks of specialists in specific areas
  - In fact, personal relationships are used as much as forums...

## ORGANIZATIONAL CULTURE



- **Strong incentives for mobility**
  - International, Inter-divisional, Inter-Business
  - This creates an exceptional social network and a remarkable ability to communicate quickly with colleagues from all over the world **to find the knowledge is needed**
- **«Dual ladder»**
  - to ensure that technicians and scientists have career opportunities without having to abandon the activities they are passionate about
- **Symbolic initiatives:**
  - Awards and honors of technical excellence
  - for example, the "Carlton Society" (a kind of "Hall of Fame" for innovators)
- **Problem solving missions**
  - Small teams sent to customers to solve their problems
  - Please note: their goal is not only to provide technical assistance, but to **gather ideas and stimuli from customers that can be useful for product development and innovations**
- **Performance evaluation and profit sharing**
  - Performance evaluation includes aspects such as exploration and creativity, not just the short-term commercial success of your ideas and proposals
  - Profit sharing serves to increase the sense of participation in the overall results of the company

## LESSONS FROM 3M



### — Encourage personal INITIATIVE and PROACTIVITY

- Freeing the development of new ideas from the constraints of formal hierarchy
- leave ample space for autonomy, managed flexibly

### — Tolerance for ERRORS

- A very large part of individual projects does not lead to new products or patents
- Failure is not seen as a bad thing: failure is the condition for creativity. It is an **investment in innovation capacity**. **If you are not wrong enough, it means that you are not REALLY trying to innovate**

### — Provide opportunities for CONTINUOUS LEARNING

- mobility is a way not only to create new relationships, but also as a learning opportunity
- provide broad and widespread learning support tools

### — Recognizing PROGRESS, ACHIEVEMENT and AUTHORSHIP

- Symbolic initiatives (non-tangible incentives) can be very useful in terms of motivation, favoring "informational" signals rather than "controlling"

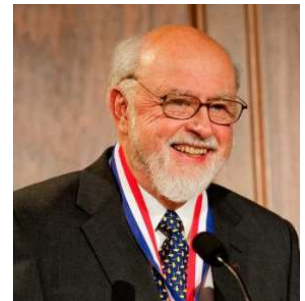
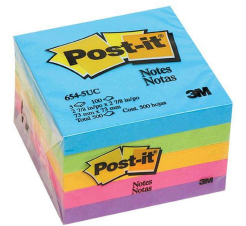
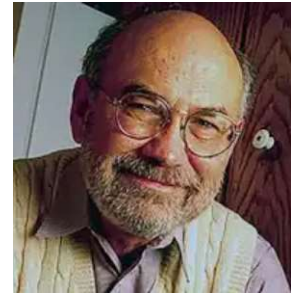
### — Combining career ambitions with passion for one's work

- for example, with the dual ladder system



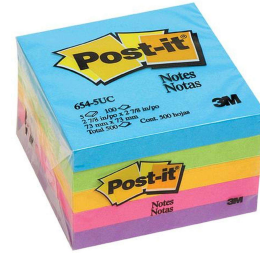
## THE HISTORY OF THE POST-IT (1)

- 1968: Spencer Silver, a chemist at 3M, attempts to invent a very powerful glue for aeronautical uses
  - The attempt fails, but the glue has unusual properties
  - can be reused many times without losing adhesive properties
  - It is so weak that it can be easily removed without leaving traces on the surface
  - for several years Silver thought it was a potentially interesting product, but found no practical use
- 1974: Art Fry, an employee of 3M, learns of Silver's "weak glue"
  - Fry played in the local church, and had the problem of finding page markers for scores that could be moved without damaging the pages
  - He then experimented with glue on pieces of paper, and saw that it gave the results he hoped for



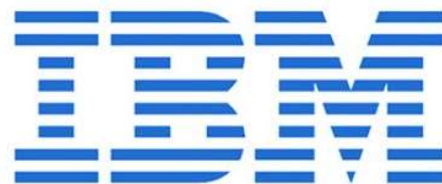
## THE HISTORY OF POST-IT (2)

- Silver and Fry started working together on the idea, the technical aspects and experimented with other potential use cases
- However, they were met with skepticism in the company: "*Who would ever want to buy a glue that doesn't glue?*" was the objection they often encountered
- 1977: experimentation began in various offices, and despite the initial mistrust, gradually people discovered various use cases of the post-it note that not even its creators had imagined
- 1980: The product is launched on the market and becomes an iconic product and a decades-long worldwide success
- Fry and Silver used extensively their "bootleg time" to develop the Post-It, despite the skepticism of many in the company
- 3M's culture greatly favored and facilitated this path of discovery, creation and experimentation



## Other examples of companies using policies similar to Bootleg Time

- GOOGLE and the "20% time"
- HEWLETT PACKARD and the "10% rule"
- ATlassian and the «ShipIt days»
- LINKEDIN and the "Incubator" programme
- APPLE and the "Blue Sky" policy
- ADOBE and the kickbox program
- FACEBOOK (META) and the "Hackathons"
- IBM and "Think Fridays"
- VALVE and the "Free Desk" policy



## Organizational culture in Google (according to L. Bock)

- **ELIMINATE (or DECREASE) SYMBOLS OF HIERARCHY and AUTHORITY**
  - Only 4 meaningful hierarchy levels at Google
  - Senior executives receive the same perks and benefits as the newly hired employees
- **MAKE DECISIONS BASED ON DATA, NOT OPINIONS**
  - Run experiments, test ideas to generate data instead of discussing them with no data
- Both elements can be seen as «organizational anti-bodies» to excessive and/or ineffective use of hierarchy and authority
  - Authority thrives on symbols!
  - Data / Facts based reasoning levels the field!
- Notice: **authority and hierarchy are necessary, but they need to be used correctly!!**

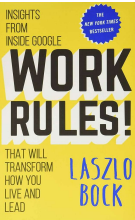


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## Autonomy and participation in Google (1)

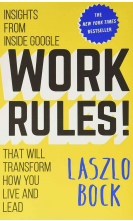
- 20% Rule for «side projects»

- Used flexibly: some individuals focus virtually 100 percent on side projects and many others not having any side projects at all (10% on average for all the engineering personnel)
- It is also important as a “symbol” of autonomy
- (Lazlo Bock) “Here is what [20 percent time] is not: A fully fleshed corporate program with its own written policy, detailed guidelines, and manager. No one gets a “20 percent time” packet at orientation, or pushed into distracting themselves with a side project. 20 percent time has always operated on a somewhat ad hoc basis, providing an outlet for the company’s brightest, most restless, and most persistent employees”
- **GOOGLEGEIST**, annual survey, is “*the most powerful single mechanism for enabling employees to shape the company*” (Lazlo Bock). Googlegeist asks about a hundred questions each year (30% to 50% changed every year). About 90% of employees participate
  - Results are shared and become reports that will influence or change managerial decisions
- Googlegeist led to several significant changes, such as initiatives to improve work detachment during non-work hours, Increased salary, massively improved efficiency
  - **Practical relevance increases participation, and participation increases relevance**



## Autonomy and participation in Google (2)

- Does this participatory atmosphere and managerial style leads to chaos and anarchy?
- Or, is this an almost utopian situation which is possible just in very, peculiar cases like Google?
  - Probably, NEITHER
- According to L. Bock (Google's HR Manager):
  - “The result of these approaches is not some transcendent moment of unanimity. Rather, it is a robust, data-driven discussion that brings the best ideas to light, so that when a decision is made, it leaves the dissenters with enough context to understand and respect the rationale for the decision, even if they disagree with the outcome”
- Hierarchy intervenes mostly as a “last resort”, when conflict of ideas is not resolved at lower levels
- All this implies:
  - A lot of **trust** in people's abilities and good will
  - A managerial culture defining “management” not as “controlling” or “micro-managing”, but as the job of **creating the conditions for all people in the organization to be and perform at their best**





## Other examples: The ROWE approach at BEST BUY



- **ROWE: Results Only Work Environment**
- Introduced by BEST BUY (major electronic products mass retailer in the US) in 2003, but **abandoned in 2013 after of a change in the top management**
- employees were given **extensive autonomy** about how to perform their jobs, in all respects (including location and time); the focus is **only on results** (at different levels)
- what are the outcomes? According to some studies:
  - + 168% in increased productivity
  - + 50% in decreased personnel turnover
  - + 90% punctuality in work delivery
  - several individual well-being metrics also improved (e.g. sleep quality, likelihood to smoke, to drink alcohol, to exercise, etc)
- It requires:
  - competence and continuous **personnel development**
  - a culture of **mutual trust** between managers and employees
  - a shift in the common conception about **what a manager / leader does**

# EXAMPLES in HRM



## THE RELEVANCE OF AUTONOMY FOR HRM: A FEW EXAMPLES (1)



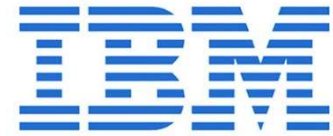
- RECRUITMENT AND SELECTION

- *Allowing existing employees greater autonomy in interviewing and selecting future team members enhances team fit, commitment, and accountability.*

- THE VALVE EXAMPLE

- **SELF-DIRECTED HIRING**: At Valve, there are no traditional managers or HR departments explicitly dictating hiring decisions. Instead, employees form **autonomous groups based on project interests or initiatives**.
- **EMPLOYEE-DRIVEN INTERVIEWS**: Employees themselves voluntarily join hiring committees, choosing whom they interview, how interviews are structured, and what criteria to apply. These groups are autonomous, **leveraging their expertise to evaluate the candidates**.
- **CONSENSUS-BASED SELECTION**: Decisions on new hires are collectively discussed and democratically made by the employee team that will directly work with the candidate. This autonomy ensures strong **cultural and team alignment**.
- **INTEGRATION AND ACCOUNTABILITY**: Since teams autonomously select new members, there's increased **personal accountability** for the success and integration of hires, which naturally leads to thoughtful decisions.
- **OUTCOMES: ENHANCED TEAM FIT, INCREASED LONG TERM RETENTION, HIGHER EMPLOYEE MOTIVATION AND SATISFACTION**

## THE RELEVANCE OF AUTONOMY FOR HRM: A FEW EXAMPLES (2)



- **TRAINING AND DEVELOPMENT**

- *Offering employees autonomy to choose personalized training courses or development paths increases motivation and skill relevance.*

- **THE IBM EXAMPLE: THE “YOUR LEARNING” PLATFORM**

- **PERSONALIZED LEARNING PATHS:** Employees choose their own learning activities based on individual career interests, current job roles, and aspirational goals. Learning paths are not mandatory or strictly predefined by management
- **SELF-DIRECTED CONTENT SELECTION:** IBM provides diverse, accessible, and continuously updated digital content—including videos, webinars, online courses, articles, and interactive resources. Employees autonomously select relevant materials, shaping their own professional growth.
- **FLEXIBLE TIMING AND PACE:** Employees autonomously decide when, how often, and how long to engage in training activities, enabling them to tailor learning to their schedules, personal pace, and individual needs.
- **INTEGRATION OF EMPLOYEE FEEDBACK:** IBM uses employee feedback to continuously refine its learning offerings. Employees autonomously rate and recommend resources, thereby influencing the quality, relevance, and effectiveness of future learning opportunities.
- **OUTCOMES:** HIGHER EMPLOYEE ENGAGEMENT AND MOTIVATION, ENHANCED SKILL RELEVANCE AND AGILITY, RETENTION AND ATTRACTION, RAPID SKILL DEVELOPMENT

## THE RELEVANCE OF AUTONOMY FOR HRM: A FEW EXAMPLES (3)



- CAREER PLANNING AND DEVELOPMENT

- *Allowing employees autonomy to set personal career goals and define internal career paths*

- THE GENERAL ELECTRIC EXAMPLE

- **1. INTERNAL CAREER PLATFORMS (E.G., GE CAREERS PORTAL):** GE developed internal online platforms providing transparency on career opportunities across the organization. **Employees autonomously explore open roles, rotations, or projects, enabling proactive internal mobility** based on personal career interests and aspirations.
- **2. PERSONALIZED CAREER MAPPING AND DEVELOPMENT PLANS:** **Employees autonomously develop and manage their own career paths** by setting individual goals, skill targets, and desired experiences. They regularly engage in career dialogues with HR and management, but maintain autonomy in shaping their career trajectory.
- **3. CROSS-DIVISION AND INTERNATIONAL MOBILITY:** GE facilitates autonomy through **international and cross-divisional mobility programs**. Employees autonomously seek opportunities for professional growth outside traditional career tracks or geographical areas.
- **4. SELF-DIRECTED TRAINING AND UPSKILLING:** Employees have **access to GE's comprehensive digital learning platforms and can autonomously select training aligned with their desired career paths**, ensuring relevant skill development to pursue future roles.
- **OUTCOMES: ENHANCED EMPLOYEE RETENTION, GREATER INTERNAL MOBILITY, IMPROVED TALENT DEVELOPMENT AND SUCCESSION PLANNING, INCREASED EMPLOYEE MOTIVATION**

## THE RELEVANCE OF AUTONOMY FOR HRM: A FEW EXAMPLES (4)

# NETFLIX

- **COMPENSATION and BENEFITS**

- *Introducing autonomy by letting employees choose individualized benefit packages or flexible compensation options*

- **THE NETFLIX EXAMPLE**

- **1. Flexible (Unlimited) Vacation Policy:** Netflix offers **unlimited vacation days**, giving employees complete autonomy to decide how much time off they need and when to take it. Employees manage their own workload and responsibilities without explicit approval processes
- **2. Self-managed Expenses and Travel:** Employees have **autonomy in managing their business travel and expenses**. Instead of formal approvals, Netflix emphasizes the principle: "*Act in Netflix's best interest.*" Employees autonomously decide what constitutes reasonable expenses, reducing bureaucracy and fostering a culture of responsibility and mature judgment.
- **3. Top-of-Market Salaries (Flexible, Generous Pay):** Netflix autonomously offers employees **very competitive compensation—often above industry averages**—encouraging responsibility and high performance without micromanagement or overly structured performance bonuses.
- **4. Employee Autonomy in Benefits and Perks:** Employees autonomously select the perks and benefits that best fit **their personal needs** and life stages, such as flexible work hours, health benefits customization, and generous parental leave policies.
- **OUTCOMES: HIGHER EMPLOYEE MOTIVATION AND ACCOUNTABILITY, ENHANCED RECRUITMENT AND TALENT ATTRACTION, REDUCED BUREAUCRACY AND INCREASED EFFICIENCY, IMPROVED EMPLOYEE SATISFACTION AND RETENTION**