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School of Business

Managing in Complex environments: Strategies, Insights and Solutions

HKBM7002

Professor: Dr. Leo Ho

Management Report (Individual Assignment)

Title of Paper:

*A study on the reorganization / restructuring exercise after the
acquisition process between Facebook Inc. and WhatsApp*

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Module Learning Outcomes (from module syllabus)

Upon the successful completion of this module, the student should be able to:

1. Critically identify, analyse and assess the external environment and determine appropriate people management strategies aligned to ensuring organisation and stakeholder success;
2. Critically debate and put forward appropriate people management strategies that serve to remove indecision and create focus and purpose towards determining appropriate action throughout the organisation

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1) **Executive summary**

Facebook announced on February 19, 2014 that it has reached a definitive agreement with fast-growing cross-platform mobile messaging app WhatsApp, to buy WhatsApp for about \$19 billion in cash and stock.

According to SEC filings, under the terms of the deal, Facebook will buy WhatsApp convertible bonds and options for 183.9 million Facebook shares, valued at \$12 billion, and \$4 billion in cash. In addition, Facebook will give WhatsApp founders and employees another \$3 billion in restricted stock, which can be executed four years after the deal closes.

The reason why Facebook is buying WhatsApp for \$19 billion is the future of smartphones. At present, there are about 1 billion smartphone users in the world. Zuckerberg and WhatsApp co-founder and CEO Jan Koum believe the number of smartphone users worldwide will rise to 5 billion in the next five to ten years. Both believe that, as now, news will remain the number one activity for smartphones in the future.

Zuckerberg said he had known the founder of WhatsApp for years, and that it took only 11 days to negotiate the acquisition and just a week to determine the price. After the merger, WhatsApp will remain independent, similar to Instagram.

Regarding the acquisition, Zuckerberg said that WhatsApp will not consider profitability at this time, and said that "when the user reaches 2 billion to 3 billion, there will be many revenue models." Koum said that WhatsApp's current revenue is stable, they will not quit advertising and focus on long-term development.

Facebook already has a mobile messaging app, Facebook Messenger. Zuckerberg said that Messenger and WhatsApp are positioned differently. The former is similar to informal email, not instant messaging, while the latter is an instant messaging tool. The company will have continuous investments on both apps. Koum said it will speed up the update of WhatsApp, with new features to be rolled out within the next year.

Zuckerberg shows great importance to the current instant messaging application market. He believes that instant messaging applications are extremely competitive. WhatsApp is the market leader in most regions. It is known for the speed and reliability of messaging services and has

great technical advantages. The WhatsApp team is obsessed with the perfect messaging service, and that's the right strategy. Over time, users will want to pay for the best instant messaging services.

Source: <https://www.businessinsider.com/facebook-is-buying-whatsapp-2014-2>

2) Introduction

WhatsApp currently has 450 million monthly active users. The source of product revenue is paid by users. In July 2013, the app revamped its billing model from a one-time \$0.99 product to a \$0.99 a year product with a free year of use after the first download.

The app was launched in 2009 by American Brian Acton and Ukrainian Jan Koum. Both of them worked for Yahoo before. The company is headquartered in California, USA.

When the product was launched, they two positioned the product as a replacement for mobile phone text messages. Therefore, functionally, WhatsApp is very simple, which is to help users send and receive messages. Compared with the cartoon chat emoticons, games, social circle sharing and other functions in the Asian chat apps WeChat and Line, WhatsApp does not have any.

In June 2013, a survey conducted by the application data analysis company Onavo found that WhatsApp has more than 90% coverage of iPhone users in many countries in Latin America and Europe. These are also hard-to-reach areas in Asia for similar apps.

2.1 Why WhatsApp choose to do M&A

In the highly competitive messaging app market, WhatsApp appears to be an alternative. Compared with Asian chat apps WeChat, Line, KakaoTalk, etc., which have grown into a mature social platform at the product level, WhatsApp is still more like a communication app that simply satisfies users' chatting.

Its products do not provide users with various functions such as chat expressions, games, shopping and news. Even the voice sending feature was added to WhatsApp only in 2013.

For a company of only 50 people, 25 of whom are technical employees, WhatsApp CEO Koum has always emphasized that staying focused is their most important thing. Limited by the resources and product positioning of a small team, WhatsApp has always been cautious in

enriching product features. The biggest change to the product in recent years has been the move from a \$0.99 paid model to free for the first year, and then \$0.99 a year.

This also proved that WhatsApp is not unaware of the erosion of its own market by other chat applications. After the product was changed to free for the first year, the number of user registrations also increased significantly.

But in finding more rooms to grow, WhatsApp isn't taking full advantage of the 450 million monthly active users it has. Compared with the commercialization capabilities of other applications, the annual revenue of the Japanese chat application Line has reached 338 million US dollars, and the KakaoTalk revenue is expected to reach 200 million US dollars. And relying solely on product fees, WhatsApp obviously cannot achieve such results.

Whether it is WeChat or Line, the reason why it can grow into a new social giant on the mobile terminal is inseparable from the support of the parent company behind it in terms of capital, manpower and various product lines. And these are what WhatsApp lacks.

Take WeChat as an example. In terms of games, e-commerce, payment, O2O, public platforms and social circle of friends, WeChat has become more than just a chat product. The construction of the mobile social platform is continuously integrating the resources and experience accumulated by Tencent's various business lines.

The founder of Snapchat, another popular mobile application that has attracted much attention abroad, said to the outside world that Tencent's product planning in terms of value-added functions can be used for reference.

The value of messaging apps on the mobile side has gone far beyond the "SMS replacement" that WhatsApp initially positioned for the product. To extend to a mobile social platform, WhatsApp needs a company that also has accumulated resources in the social field. At this time, Facebook's high-priced acquisition offer, whether in terms of capital or resources, can find a new market for WhatsApp.

As early as 2013, news of WhatsApp's acquisition continued to come, and the giants that were interested in acquiring it included Apple and Google. Although these news were denied by co-

founder Koum. But after accepting the Facebook acquisition, Koum also said that they will be able to gain more rooms for growth, including providing users with more features.

2.2 Facebook's decision of M & A

The future mobile social platform is indispensable for Facebook. With the development of the mobile Internet, more and more people's social behaviors take place in mobile platform. To grasp the mobile market is to grasp the future of social networking.

Facebook itself is underperforming on mobile platforms. Although Facebook is the world's largest social platform, it has not shown its dominance on the mobile side, and it is constantly challenged by new mobile social applications such as WhatsApp and Snapchat.

The power of WhatsApp is in the mobile social space. WhatsApp has 450 million monthly active users, 70% of which are daily active users, and currently has 1 million new users per day. The amount of messages sent by WhatsApp is already close to the amount of text messages sent globally.

Facebook has a history of successful acquisitions of mobile platform applications. Facebook's previous biggest acquisition on a mobile platform was the \$1 billion acquisition of Instagram, a photo-social app, but Instagram's value was far more than \$1.2 billion. The acquisition of WhatsApp has the potential to achieve the same effect.

The acquisition of WhatsApp is in line with Facebook's internationalization strategy. Now that Facebook's users have exceeded one billion, it needs to continue to explore emerging markets to maintain user growth. At present, WhatsApp is the most international mobile social application and has performed well in many emerging markets. Facebook can use WhatsApp to enter these emerging markets.

"A problem that can be solved with money is not a problem" - this sentence is very apt to explain the pressure Facebook faces on the mobile side. Even if Facebook can spend a lot of money to acquire one or two social companies that are doing very well on the mobile side, there are still a lot of strong enemies in this market, including LINE, Kakao Talk and WeChat from Asia.

The biggest problem Facebook faces is that people's social behavior has changed from traditional PC Internet to mobile platforms. WhatsApp, Snapchat, WeChat, etc. are all products designed for mobile platforms, so these products show much more vitality than Facebook.

After acquiring WhatsApp, Facebook has strengthened its mobile social strength, but the challenges from other competitors have not eased.

Compared with WhatsApp's focus on communication tools, mobile social applications from Asia such as LINE and WeChat have been platformed early and have formed a more direct threat to Facebook. In terms of product structure, LINE and WeChat are like WhatsApp+Facebook.

Facebook's other competitor, Snapchat, has created a new social field, and the "delete after reading" social method has subverted Facebook's social timeline model. Facebook's business model relies entirely on user information and user-contributed content, and when faced with a social application like Snapchat that "destroys content", Facebook will be helpless.

3) Reorganization / restructuring of Facebook Inc. and WhatsApp

Facebook's product reorganization



Source: <https://innovation-village.com/facebooks-new-product-reorganization/>

After such a big exercise of mergers and acquisitions, Facebook undertook one of the largest restructurings in its history, appointing new leaders not only for WhatsApp, Messenger and Facebook's core apps, but also new responsibilities for other people in power, including blockchain Technology provides new solutions.

Restructuring can be a useful management tool in the search for new value and is often part of an M&A integration. Getting this type of reorganization right allows for smooth consolidation of business units in the merging company, standardization and streamlining of corporate activities, alignment of people with expected results, and rapid realization of integration synergies.

3.1 External environment that led to the reorganization

Facebook announced the changes to internal staff, explaining that the moves are aimed at improving communication and user privacy concerns. In part, the changes were heavily influenced by its data breach, which has come under intense criticism for failing to protect users' personal information which Facebooks faces in these years. After WhatsApp M&A, there are a lot of concerns of the backlash against the scale of its data collection quickly followed by its forcing of new terms of service on its users to share their data with Facebook.

In the reorganization, Facebook CEO Mark Zuckerberg has divided the social giant's product and technology group into three main divisions, including Chief Product Officer Chris Cox, who previously ran Facebook's core applications. Leader's "Family of apps".

Cox will now oversee Facebook, Instagram, WhatsApp and Messenger. According to statistics, these four social applications can reach more than 5 billion monthly independent users around the world.

From the image above, we can see that most of Facebook's senior product and technical executives are men. Although there are some high-level or influential female executives at Facebook, they are not directly involved in the personnel change. For example, Fidji Simo from Video Business, Julie Zhuo from Design, Deb Liu from Marketing, and Sheryl Sandberg, COO.

Taken as a whole, these changes come at a special time for Facebook and Zuckerberg. Zuckerberg has been vocal about his need to take more responsibility for Facebook's impact on the world. Zuckerberg's new resolution is to overhaul Facebook, and obviously, restructuring the

team is part of that overhaul. Hopefully, these rectifications will allow for smoother communication between the company's executives without affecting Facebook's development.

Specifically, the three major divisions formed after the reorganization are as follows:

A. The Family of Apps

This is the team Cox will be responsible for, including WhatsApp, Messenger, Instagram and other core Facebook applications. Instagram CEO Kevin Systrom will remain the same, while the other three apps will have new heads:

- WhatsApp - Chris Daniels, former vice president of Facebook Internet.org project;
- Messenger - Stan Chudnovsky, formerly head of Messenger product; and former head of Messenger, David Marcus, will join a new team exploring blockchain technology;
- Facebook's core application product - Will Cathcart, who joined Facebook from Google in 2008, had previously been in charge of Facebook's personal introduction team.

Bringing all four product owners closer to Cox is to improve communication between products. Before that, all teams had different leaders, with Koum reporting to Zuckerberg, Systrom reporting to Schroepfer, and Marcus reporting to Olivan. As Facebook increasingly builds more functionality across all of its apps, close collaboration between leaders means a lot.

B. New Platforms and Infra

The unit is led by Facebook CEO Mike Schroepfer and will integrate Facebook's longstanding product and business efforts, such as VR, AR and the newly formed blockchain unit.

- Andrew "Boz" Bosworth, who leads Facebook's AR, VR and hardware teams, will continue to report to Schroepfer. Bosworth, who had been with Facebook's advertising division for several years, took over the job last August.
- David Marcus will report directly to Schroepfer after taking over the newly formed blockchain department. Although Facebook has not disclosed any information about the division, Marcus was a member of the board of directors of the cryptocurrency exchange platform Coinbase, so it is a side note that the company will be very interested in this

technology. Previously, Marcus also worked at Paypal and founded a mobile payments startup.

- Facebook technology executive Jay Parikh will lead a new product team focused on privacy products and initiatives.
- Workplace, Facebook's enterprise product designed to rival Slack, will come under the leadership of Schroepfer, a team led by longtime Facebook product manager Kang-Xing Jin (KX), a classmate of Zuckerberg's at Harvard.
- Jerome Pesenti, who leads Facebook's AI business, will report to Schroepfer. Pesenti just jumped from IBM to Facebook this year. During his tenure at IBM, he was responsible for the development of Watson technology.

C. Central Product Services

All other Facebook products and features, such as security, advertising, growth, will become the responsibility of Javier Olivan, who has been with Microsoft for over a decade and previously ran Facebook's growth team, helping the company grow to the size it is today. In addition, Olivan will be responsible for more important Facebook business.

- Mark Rabkin, who is responsible for Facebook's overseas advertising and local services, will report directly to Olivan.
- Naomi Gleit, who joined Facebook in 2005, will be responsible for the growth and integration of the community for a long time, as well as Facebook's social welfare products, such as donations. In addition, she is the Head of Product Manager for the entire company.
- Alex Schultz, who has been with Facebook since 2007, will be responsible for "growth markets, data analytics and Facebook's internationalization" and will report directly to Javi.

4) Evaluation on the key issue of people management in Facebook

According to McKinsey research, only 16% of mergers and reorganizations fully achieved their goals within the planned time frame, 41% took longer than expected, and in 10% of cases, the reorganization actually harmed the newly formed organization. Common pitfalls are lack of cultural understanding between integration parties, poor integration leadership, and focus on the wrong set of activities or the wrong goals. Below is showing some of the evaluation of Facebook's people management which is lead by CEO Zuckerberg.

4.1 Internal creative channel

In such a big and complicate organization, especially after a lot of M&A such as WhatsApp, Zuckerberg loves to listen and learn, but he also knows how to act decisively. His culture of giving back guarantees that the talents and ideas in the company will not be tied to the class organization, but it does not mean that he does not need the organization with different classes and layers. As long as Zuckerberg shouted, all Facebook members reported. Anyone with an idea can directly to Zuckerberg, and these pipes are the lifeblood of Facebook's operations.

There are four main channels for ideas to be shared on Facebook: one is Zuckerberg's "Friday Q & A", the first is an internal Facebook group, and the third is Zuckerberg's small circled group and his product review meeting.

Zuckerberg's "Friday Hangs" started when Facebook was working in a small room, in 2005, when it was called "Friday Hangs." Naomi. "It's just going to eat Chinese food, hang out, and relax," Naomi Gleit, one of Facebook's oldest employees, told me. She's the vice president of product management. Today, Facebook has changed to live online to conduct "Friday Q&A", choosing a large cafeteria as the venue, and the host controlling the venue.

Zuckerberg used Friday's Q&A to "take the pulse" of Facebook. Facebook's head of human resources, Lori. Lori Goler told me that Zuckerberg needs to know "what people are thinking, what they're thinking, what questions they're asking, what the atmosphere is." Next, it's time to invent something to publish a high-level discussion. "They might ask questions about the strategy of a product and say, 'My opinion on this product is this -- what do you guys think about strategy?'"

There are also hundreds of other groups within Facebook for employees to chat on a daily basis, where employees discuss company products, inquire about other teams, and rate senior executives. The ideas of Facebook employees bubble up through these groups and float to Zuckerberg and his deputy; Zuckerberg himself and the management team will also go to sea to join the discussion in person.

Facebook saw the commercial value of their internal social network, so they launched Workplace, and now Walmart, Domino, and Spotify are all their Workplace customers.

Zuckerberg's team is a big part of the idea of Facebook employees. Zuckerberg also values that the people around him are willing to give bad advice (but not all of them are effective, as we will talk about it shortly). Facebook's leadership team has made "Give and Take" its standard, which is written by Wharton professor Adam Grant.

The book divides people into four categories: likable givers, nasty givers, likable takers, and nasty takers. Such a classification is simple and clear: people who are likable are liked by everyone, and people who are annoying are not; givers are willing to give for the company, and takers are brave to ask the company for it.

And not everyone at Facebook's top ranks is a "likable giver." There's one thing Zuckerberg believe about leadership teams, and that's the most valuable talent in an organization and some of them are 'nasty givers.' Facebook actually try to protect people like this and Zuckerberg will put people like this by his side. They won't tell you what you want to hear, but what they really think.

4.2 Importance elements in Facebook's culture from CEO

After a lot of M&A with different companies, Facebook focus in their own company culture. Zuckerberg believe that the founder have to keep talking about the company culture he want to build. A founder's speech is like throwing a pebble into a pond, causing ripples in the water—and people immediately start repeating them. At Facebook, if Zuckerberg said something, it would even be on the company's wall the next day.

Culture is not something that can be said once and thrown away. Top management have to repeat the culture Facebook wants to convey in every meeting, and put them in every email, especially the CEO or founder. Even management, treat this job as part of all jobs and an important part.

It's also important to acknowledge that company culture isn't set in stone. As a core leader, they shape the company culture, but they must also continuously develop it. In the process of company development, there are bound to be many opportunities that will promote the development of culture. There will also be many opportunities to revisit the corporate culture that was set two years ago, because now the culture has lost its meaning.

Clearly, reliability must be part of a long-term competitive advantage if a company wants to support hundreds of millions of users, but this cannot be compromised by slowing growth. The new cultural definition reinterprets Facebook's "rules of the game," making it clear to everyone that the company needs to accelerate operations for years, not days, not weeks. The sooner you start thinking about your company's positioning, the more solid you'll have for future growth, including, of course, cultural changes. The company will operate steadily, rather than blindly catching up.

Company culture is worth considering from the very beginning. For example, What kind of company do you want to build? How do you want people on your team to get along? Whatever you want to do now, take a few minutes to start with the self-awareness exercise first, then write your story, revisit the story before the next round of financing within a year, or when you think about the company culture, and then be prepared to upgrade the culture - just like upgrading the product.

Zuckerberg said that he often guides employees to learn about coexistence and helps them become familiar with the thinking logic of other members, so as to achieve effective communication. He believes that it is necessary to respect employees' ideas and empower employees to practice them on the basis of full trust. In his view, it is this seemingly disorganized corporate culture that allows Facebook to remain innovative and continue to grow.

The following are excerpts from Zuckerberg's views:

A. Time control

How you spend your time doing more is critical, it has nothing to do with the skills you learn.

Zuckerberg studied psychology at Harvard, not computer science. He has been programming since he was ten, and it's become part of his intuition that he don't think about what to do when he was programming.

He wrote a lot of programs for himself, for example, he designed a language interface for his MP3, and he also used the ID assigned to everyone by Harvard to make a similar Hot or Not (Note: Hot or Not is a dating website in the United States, with batches of Trial reviews of member photos, thereby testing its popularity as the main style, and providing a two-way platform for members to connect), and almost got kicked out of Harvard for this.

Although these programs are weird, they are very helpful for his future. While studying psychology, he started thinking about the relationship between people. Then, he got really interested in building something like making friends in college, and when the idea for Facebook came up, he basically knew how to do it, so he started right away.

When he originally wrote the code, he wrote the first version - in fact, he and his friends never wrote the second version. It only took him a few weeks or less to build the site, and initially, he had no idea how successful the site would be.

At that time, all Zuckerberg was thinking all day was: When he has a new idea to practice, he must throw this website away. Of course, he is glad that he didn't do that at the time. The key here is how we spend your time doing things, and has nothing to do with the skills you learned in college.

B. Make good use of genius

Zuckerberg and Facebook always proud to see these smart people creating new things in unique ways.

For example, when they design an app, they don't just focus on a single user experience, they pay more attention to whether this should benefit the entire community and product, which requires trade-offs in all aspects of product development.

They may have noticed that they can't browse other school people's information (on Facebook), and that's a trade-off. They classify users by school, and only people from the same school can see each other's information and contact information. They 've found that more people are

willing to follow the people around them, and if everyone can view your information, that's fine, but they probably won't put their phone number on it. More than 30% of users register their phone numbers when they sign up for Facebook, so this app is important.

Zuckerberg remembers spending most of the school year working on scaling the site in response to growing traffic. Later, they were fortunate enough to invite some talented people to join the team. He felt it was so much fun to have people around his dinner table working. In their team, everyone has their own responsibilities and rarely turns to others for help, but one thing is the same: they are all trying to find a way to disrupt the status quo. That is, how to make these geniuses work more efficiently and maximize their ingenuity. Maybe they can get rid of the endless work model, but of course, they are not developing a pediatric product.

C. Goals are the most important

There are two things Facebook need to focus on: staying where they are, and making it sustainable.

Zuckerberg has to make a lot of decisions like that and rely on intuition. He has always tried to think carefully about the different outcomes that different ways can produce in the most academic way possible, but most of the time, he has to define a goal, know what he wants, and then work on it to better achieve it. For Facebook and Zuckerberg, the goal is to maximize the long-term interests of the community and user groups which it is long term, not short term.

Also, there are two things they need to focus on: 1) keep the existing; 2) continue to develop.

For example, What Facebook have is a complete application in community, and they want to keep it that way, without gimmicks. At the same time, focus on products or trends that continue to grow and can be easily scaled without disrupting existing standards.

Because Zuckerberg put to be a longer term - Maybe one day, Facebook will grow to thousands of people. Although the future is full of uncertainty and unpredictability, they still have to stand a little higher and look to tomorrow.

To have a good company culture, at the first beginning, Facebook have their own R&D team, and they have a finance department, and other setups that they thought you didn't need. But once they have a team, top managements have to supervise, but don't over-manipulate them.

According to Locke's Goal-setting theory, that specific and difficult goals with self-generated feedback, lead to higher performance. Zuckerberg emphasized that, these people are very smart, and the reason he values them is that they have great ideas and self-development capabilities. But at the same time, Facebook also wants to make sure that these sparks of wisdom and the product match and extraordinary and drive to better performance.

D. Friendly culture

Zuckerberg and Facebook think that if in an enterprise with different language logic but no free communication, how can the collision of ideas generate sparks?

The person Zuckerberg is looking for must have two characteristics, the first being a high IQ. Zuckerberg stated that he can hire a software engineer with 10 years of work experience, and if this person has been a software engineer for 10 years, he will probably do this for the rest of his life. This is good, this kind of person is very capable and very helpful to the company.

There are other people who are brilliant but inexperienced, are quick to accept and learn new things, and can do a lot in a short period of time, things that more experienced people often can't do. The second kind of person is what Zuckerberg desperately needs.

Second, Zuckerberg needs the staff to have a sense of identity with the job. No matter how smart and efficient a person is, if there is no sense of identity, he will not really work hard. For example. Zuckerberg picked a few engineers from Stanford who were very smart with little work experience, and wanted to work in the industry, and were willing to start with the most basic jobs, like creating Facebook photo albums. In his opinion, such a person is more valuable than many senior programmers.

At present, many of the company's systems are not very formalized, and there may be changes in the future. Zuckerberg thinks that as the business grows, a lot of the problems arise because the previously comfortable relationship is broken. Hence friendly culture is especially important - Team members can communicate freely in the same way as friends, and at work, staffs can tell him their thoughts as if he were a friend, and they don't have to worry about offending each other. They're likely to understand what you're saying in a similar way.

In an enterprise where members speak different logical languages and cannot communicate ideas freely, it is necessary to spend 20% of the time for employees to understand other people's ideas. At Facebook, one thing Zuckerberg is very concerned about is a friendly corporate culture. Zuckerberg lets his employees spend 20% of their work time together instead of doing their own business. He lets them stay together, not forcing them to be friends, but to make them feel more comfortable with colleagues and communicate more smoothly.

In this way, Facebook have created a culture of free and effective communication across departments, which is an unwritten rule, and Zuckerberg thinks the corporate atmosphere should be like that. The communication was smooth, ideas were able to collide with each other, and ultimately lead to one project after another. Zuckerberg is a kind of “Supporting” leadership style in Facebook. Supportive leadership is approachable and empathetic and always show concern for employees, and management treat them with dignity and respect.

5) Recommendation and implementation on key people management issues based on Facebook + WhatsApp case

5.1 Effective communication with all levels of employees

Communication channel refers to the medium selected and established by the information source to transmit information, that is, the way for information disseminators to transmit information. The source of information must determine which channels are formal and which are informal. Generally, formal channels are established by the organization to transmit information about work-related activities and follow the network of power in the organization; another form of information is transmitted through informal channels in the organization. In Facebook, there are two types of communication channels, personal and impersonal.

Formal communication channels are generally vertical networks that follow a power system from the top down. Informal communication channels, often referred to as the dissemination of gossip, are free to move in any direction, regardless of power hierarchy.

For enterprises, the establishment of communication channels also reflects the culture of the enterprise and plays an important role in the development of the enterprise.

A. Formal communication channels

It refers to the transmission and exchange of information in an organizational system based on certain organizational principles. For example, to communicate files, hold meetings, and regularly exchange information between superiors and subordinates. In addition, visits, technical exchanges, market surveys, etc. organized by the group are also listed here.

The advantages of formal communication are: good communication effect, seriousness, strong binding force, easy to keep confidential, and can keep information communication authoritative. Important information is generally communicated in this way. The disadvantage is that it is more rigid and the communication speed is slow because it relies on the transmission of the organizational system layer by layer.

B. Informal communication channels

It refers to the exchange of information and the transfer of feedback outside the formal communication channels, in order to achieve the interests and goals of both parties. It is not subject to organizational supervision and can freely choose communication channels. For example, private exchange of opinions among group members, gatherings of friends, spreading rumors and gossip are all examples of informal communication. Informal communication is an organic complement to formal communication. In many organizations, much of the intelligence used in decision-making is delivered by informal information systems. Compared with formal communication, informal communication can often be more flexible and quicker to adapt to changes in the situation, omitting many cumbersome procedures; and can often provide a large amount of information that is difficult to obtain through formal communication channels, and truly reflect employees' thoughts, attitudes and attitudes. motivation. Therefore, this motivation can often play an important role in management decisions.

The advantages of informal communication are: the form of communication is informal, direct and clear, the speed is very fast, and it is easy to timely understand the "insider news" that is difficult to provide in formal communication. Informal communication can work on the basis of good interpersonal relationships in groups. Its shortcomings are: informal communication is difficult to control, the information transmitted is inaccurate, easy to be distorted and misinterpreted, and it may lead to small groups and small circles, affecting the stability of people's hearts and the cohesion of groups.

In addition, there is a predictable model of informal communication. Psychological research shows that the content and form of informal communication can often be known in advance. It has the following characteristics: first, the fresher the information, the more people talk about it; second, those who have an influence on people's work are the most likely to attract people to talk about; third, the most familiar, the most talked about ; Fourth, people who are related at work are often easily involved in the same rumor; fifth, people who have a lot of contact at work are most likely to be involved in the same rumor. Managers should pay full attention to these laws of informal communication, so as to eliminate negative "grass messages" and use informal communication to serve organizational goals.

Johnson et al. (1994) mentioned that Modern management theory proposes a new concept called "highly informal communication". It refers to the use of various occasions and various methods to eliminate various interferences to maintain the constant exchange of information between them, thereby forming a huge, informal and open information communication system in a group and an enterprise. Practice has proved that a high degree of informal communication can save a lot of time, avoid the sense of restraint and caution in formal occasions, make many problems that have been difficult to solve for many years to be solved in a relaxed atmosphere, and reduce the friction of interpersonal relationships in the group.

C. Combining the two channels

With the development of the Internet and the local area network, people are more and more dismissive of the traditional formal communication channels, and employees are often disgusted with the formal and powerful way of instilling values. Informal, horizontal communication network between individual company employees is particularly important for the transmission of value information.

Combining formal and informal communication channels to provide employees with a good source of information on corporate values and effective feedback is important for strengthening company culture.

Just another example: Microsoft attaches great importance to convenient and effective communication. Nearly all of Microsoft's employees gather on the company's large leafy "campus" in Redmond, Washington, 10 miles east of Seattle. Although the company has grown

rapidly and added many new M&A companies and employees, the company has tried to maintain a small company feel. Many employees see email as an important means of direct, open communication. Employees can and do use e-mail to communicate with Bill Gates and other executives about many questions, and often receive responses quickly.

5.2 Embedded company culture in the company

When it comes to what it takes to be a successful business, some people think that good performance is required, and some people think that a company needs huge scale. But behind every successful company, there is its own corporate culture, which makes it unique. Corporate culture is like the banner of a company and is the cornerstone of success.

Corporate culture is the core of a company. The so-called corporate culture is the values and beliefs shared by an organization or a group of people, as well as the unique way of doing things. In fact, the importance of corporate culture is far beyond everyone's imagination. Corporate cultures in different countries are different. For example, corporate culture in the United States emphasizes "individualism", emphasizing personal achievements and personal enthusiasm. Therefore, individual heroism in American companies will be compared. clear. Some famous companies usually have a soul, such as Apple's Steve Jobs, Tesla's Elon Musk, etc. Once these souls disappear, the image of those companies will be completely different from before, and that is the importance of corporate culture. It is the same as Zuckerberg in Facebook.

A. Corporate culture is the axis of the company.

The importance of corporate culture can be described as greater than imagined. Because if a company is a person, corporate culture is the personality of that person, which directly affects the performance of employees. Beside Facebook, taking Google's case as another example. Its corporate culture has a significant impact on employee performance. Google's work environment, providing employees with a variety of game facilities and sports space, is the dream work environment of every job seeker. However, the corporate culture established by Google is not to encourage employees to have fun, but to emphasize that it is the responsibility of the company to make people feel that work is a "pleasure". Google attaches great importance to the space and freedom of employees, and does not strictly stipulate the work content and delivery date of employees, and employees need to assign them by themselves. When employees work in a

highly flexible environment, work efficiency will naturally increase. Google's development today proves the importance of corporate culture. It also proves the importance of building a corporate culture.

B. People are the core of company culture.

People are the greatest wealth of a company, and a company that understands this can get employees who are dedicated and dedicated to their work. In recent years, companies have also considered employees' lives outside the office.

This means that companies need to understand their employees' family responsibilities and consider practices that will make it easier for them to balance work and family life. This might be done with arrangements such as flexible commuting times or working from home during Covid-19.

Encourage employees to engage in social activities, and hold regular team-building activities so that employees can strike a good balance between hard work and social play. Encourage employees to share their views, make suggestions, and improve ideas through a variety of different methods, such as "suggestion boxes," or, a harder but more useful method, "cultivating a culture of honesty."

Feeling valued, being listened to, and being friendly and loyal among colleagues can make employees actively engaged in their work in such a work environment.

C. Identify leadership skills that inspire employees

Leaders with competence, enthusiasm and practical experience are the key to employee engagement, just like what Zuckerberg did. Showing that you really care about your employees and taking the time to understand their needs and aspirations will help you send a message that their contributions are valued and that they will be happy and eager to pursue success (either personally or personally team success). And that is why Zuckerberg opened a lot of communication channels for the staffs.

Talk to them regularly and find ways to improve their experience with the company environment. This can be done through informal channels, such as casual chats or occasional non-work-related events. Come up with more formal employee surveys and feedback channels to understand

where their motivation comes from. Understand employees' definition of success in order to create an environment conducive to their success.

D. Provide growth opportunities

Employees are guaranteed to leave automatically if they feel they are not being reused. Therefore, employees who are engaged in work should have the opportunity to properly develop their skills and be encouraged to extend these skills and continuously strive for improvement.

Talk to the employees about their career plans. Does their current job leverage their strengths and capabilities? If not, you can plan to add some work content. Are their careers heading in the direction they want? Try to arrange a path within the company and agree on the goals. Are there new projects or projects that interest him that will allow him to participate and expand his skills? Maybe a secondment to a different department or location to change the job content or environment is just what he needs to continue to work.

Discuss training and development opportunities that will help him move forward within the company, and provide clear and consistent advice on ways to improve performance. Show that top management care in a timely manner, and are willing to help employees maintain job satisfaction, and you will see rewards in the end.

E. Make work meaningful for all employees

Employees are engaged because they believe that what they are doing is important and valuable, they feel that they are trying to do something meaningful, and they are proud of the results of their efforts.

As a top management, be sure to constantly reinforce the importance of the employee's role to the company as a whole. Help them see that there is a direct correlation between their actions and the success of the company, where even the smallest work can contribute.

Setting goals and challenges for employees to achieve can make them feel more about the purpose of their work. Giving them autonomy to improve the way things are done makes them feel trusted and respected, and also allows them to participate in decision-making and feel empowered to determine the direction of the company. This is the way Zuckerberg managed his staffs and he valued his talented staffs as important asset.

F. Find ways to recognize and reward employees

If top management want to inspire employees to use their talents to the fullest, they must let them know that their efforts will be recognized and rewarded. Regularly thank them for their efforts, prove that company is paying attention to their efforts, and encourage them to further improve their performance.

Also, take time to celebrate accomplishments at work and reward and praise them in ways that employees find meaningful. Celebrations don't have to be extravagant to be meaningful. Management can book a group lunch to share the victory with more colleagues, or give a small gift when you reach a milestone on a long journey. They can all be used as a way to praise and reward employees. All these have been implemented in Facebook's culture.

6) Conclusion

From the evaluations and analysis of Facebook and M&A such as WhatsApp, the following findings were obtained:

A. When the case company has undergone organizational transformation in the face of increasingly fierce competition, the top management needs to cooperate with the appropriate department leader and use their different experiences to carry out changes in the department to build a communication channel, process platform, and then can generate a new organization of integration and synergy.

B. The top management fully integrates the concepts of customer orientation, professional orientation and efficiency orientation, and follows the company's vision and mission which are embedded in the culture, then implements strategies - Including design an organization that can improve and divide the business services, research and development, project planning in different product families which is especially important for a company with diversified products like Facebook.

The famous organizational management scholar Barnard believes that "communication is a means of connecting members of an organization to achieve a common goal". Without communication, there is no management. Poor communication is an old problem that exists in almost every enterprise. The more complex the organization of the enterprise, the more difficult it is to communicate. Often, many constructive opinions at the grassroots level have not been fed

back to high-level decision makers, and they have been stifled at layers, and the communication of high-level decisions is often not displayed in front of all personnel in its original form.

Communication management is the lifeblood of an organization. The process of management is the process of communication. By understanding the needs of customers, integrating various resources, and creating good products and services to satisfy customers, so as to create value and wealth for enterprises and society. An enterprise is a living organism, and communication is a blood vessel in the body, which provides nutrients to the tissue system through flow and realizes a virtuous circle of the body. Communication management is the core content and essence of enterprise management.

Also, communication links to company culture. Communication management is the main way and tool to create and enhance enterprise spirit and enterprise culture and accomplish the fundamental goal of enterprise management. The highest level of management is to create a unique enterprise spirit and corporate culture in enterprise management, so that the external needs of enterprise management can be transformed into employees' comfortable concepts and conscious behavior patterns, and they agree with the core values and concepts of the enterprise - Goals and Missions.

The cultivation and shaping of enterprise spirit and corporate culture is essentially a communication of ideas, opinions, emotions and souls, and is the highest form and content of management communication. Without communication, there will be no understanding and consensus on the corporate spirit and corporate culture, let alone the common mission of the company.

The introduction of many new management concepts, methods and technologies is the result of several communications and collisions, aiming to improve the efficiency and performance of enterprise management communication, and its fundamental purpose is to improve management efficiency and efficiency.

In a sense, modern enterprise management is communication, and communication is indeed the core, essence and soul of modern enterprise management and therefore, shaping company's culture from the company founder.

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