

PART **2**

**COMPANY
STRUCTURES,
ORGANIZATIONS, AND
BARRIERS IMPACTING
YOUR CAREER**

CHAPTER 12

HOW COMPANY SIZE AFFECTS YOUR CAREER

You can have a very successful career working in either small companies or large corporations. Understanding the advantages and disadvantages of each and knowing the appropriate career actions is key to having a successful career. In this chapter, we will highlight how your career actions change with the size of the company and provide helpful tips to be successful regardless of the company size.

► **Career Tip.** The size of your company will have a significant impact on your career planning. If you work in a small company your career actions will be different than if you work in a large corporation.

SMALL COMPANY STRUCTURE AND THE IMPACT ON YOUR CAREER

A generalized small company structure is shown in Figure 12-1. By small company, we are referring to organizations with typically less than 150 people. Generally, the organization is run by the company owner. The department manager reports directly to the owner along with the company technical specialist.

The department manager is responsible for running the entire organization and the technical specialist is the lead person for technical design and performance of the product.

The lead engineer directs the work of the engineering team and generally handles daily tasks associated with design, build, and testing of the products. The lead engineer may work alongside of the marketing and accounting personnel. Reporting to the lead engineer is the product design team. This team typically consists of the people responsible for producing the product

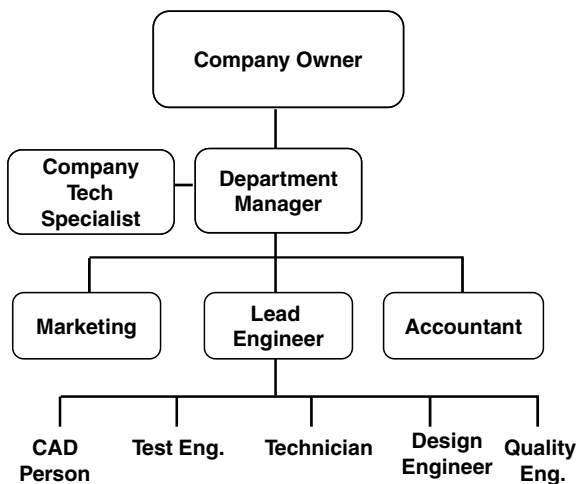


FIGURE 12-1 Generalized small company structure.

and may include computer-aided design (CAD) engineer, test engineers, technicians, design engineers, and quality engineers.

Working for a small company has its own unique advantages and disadvantages as well as special challenges. These are summarized in Figure 12-2.

In a small company you can easily have visibility with upper management. It is common for everyone to know everyone else and if you want to

Advantages

- Small size allows you to know everyone
- Easy visibility with upper management
- Broader job assignments
- Fast moving, no large bureaucracies
- Poised for rapid growth
- In on the ground floor

Disadvantages

- Easily go out of business
- Usually smaller number of contracts
- May be lower job security
- Typically lower pay and reduced benefits

Special Challenges

- Limited resources—must develop support network outside the company
- Ability to work with little resources and independently
- Oftentimes must do it all—research, design, build, test, marketing

FIGURE 12-2 Advantages, disadvantages, and special challenges when working in small companies.

talk to the owner, you simply walk down the hall and knock on their door. Your job assignments are broader in scope and you often do it all. You design, build, test, and market. Small companies offer the advantage of being fast-moving with no large bureaucracies to deal with. Decisions are rapidly made and you are in on the ground floor. You may be betting your career that your company is soon to become the next Microsoft or Apple Computer and that's okay if it fits your style. Your company may have phenomenal growth and you will be there to grow with it.

In a small company environment, you must be able to deal with rapid change and the fast moving pace. You must be flexible and readily adapt to change; this requires a special type of person. You may not want to work for a small company if you do not like an environment with rapid changes and operating uncertainties. Do you have this type of personality? Can you handle change and do you enjoy learning about other areas of engineering outside of your technical expertise? Would you be willing to take on assignments, say in chemical, mechanical, electrical, or even software, if you had to? If this type of assignment excites you, then working in a small company is a good match for you. If, on the other hand, you do not want to broaden your technical background and would prefer working only in your area of expertise, then working for a small company may not be a good match for you.

Working for a small company also has some disadvantages for career growth. It is very easy for a small company to quickly go out of business. I have seen cases where employees show up to work one morning only to find a sign posted on the locked doors informing them: "Closed, No Longer in Business." Therefore, working in a small company requires that you keep an eye on the profitability of your company on a quarterly basis. Does your company have the financial reserves to sustain payroll and jobs through several bad quarters? Or is your company operating on a shoestring budget and susceptible to layoffs at the first sign of poor financial performance?

Small companies usually have only one or two products or contracts. As long as the products sell or the contract continues, the company is solid financially. Having only one or two major products does not leave one with many career options. Your work is confined to a single product or contract without many career growth options. Typically, there is less job security in a small company and the benefits are not as good as the larger companies.

Working for a small company presents special challenges. In a small company there are usually very limited resources to call upon. You must be able to handle a variety of tasks outside your engineering discipline. To be successful at your assignments, you must develop a network outside the company; a network of people and other companies you can quickly call upon for help and guidance when you are faced with a problem you cannot solve yourself. In addition, you must be able to work independently and with little supervision or guidance. You must be able to do it all: research, design, build, test, marketing, sales, and customer interfacing.

► **Career Tip.** To be successful in a small company you need to have the skills to work in a highly dynamic environment which may rely on limited resources.

Have you considered your career growth paths in a small company? If you are the department manager, you have several options. These may include: buy out the owner, start a business on your own, or grow the business so another department, similar to yours, will be created and you will become the manager of two departments.

If you are the lead engineer, unless the department manager retires or leaves, your only hope is to grow the business and start another department and get appointed department manager. Your career path should show that you are the best candidate to take on the department manager role at the first opportunity that the business expands and requires another department.

If you are an engineer, your career path is getting appointed to lead engineer position. In order for you to do this, the lead engineer needs to move or the business needs to grow so another department is added. Your career path should show that you are capable of handling the lead engineering position when the opportunity arises.

If you consider all the options for career growth in a small company, they all lead through the action of growing the business and developing new and more profitable products. To grow the business requires a different skill set than you learned in the school of engineering. It requires a skill set of handling customers, recognizing the need for new products, and coming up with new products that meet the customers' needs. It requires a deeply ingrained entrepreneurial spirit. Are you open to learning this new skill set?

I have observed over the years that some of the leaders in large corporations actually started out in small businesses. It is interesting to note that many large corporations like to hire people from smaller companies. The reason is, people from a small company are generally more rounded individuals and have had exposure to all aspects of the business. They come with a broad experience base and are generally better leaders because of this experience.

► **Career Tip.** Working in a small company provides the opportunity to take on more diversified tasks and gives you a broader experience base. These are highly sought after characteristics in large corporations.

Another interesting fact that engineers coming from small companies have shared with me is that large corporations appear to be made up of groups of small businesses. When you look into it, there are many similarities between small companies and groups or product lines in major corporations. Both often operate with similar business principles.

Over the past 30 years, I have seen many engineers switch careers between large corporations and small companies and greatly enjoy the change. I have seen engineers who start out in large corporations and leave the large bureaucracy for a small company to be very happy. I have also seen engineers start in small companies and leave for the more stable environment of large corporations.

Correspondingly, I have met engineers who have left large corporations to work for small companies, only to find out their personality does not match that of a small company, and happily return to the large corporation. I have also seen engineers who start in a small company, change to a large corporation and then realize their personality does not match that required for large corporations, and return to small companies.

► **Career Tip.** You are going to be more successful if your personality style matches the style of your company.

The key to a successful career for you is to honestly look at your personality and determine if you are best suited for working for the size of company where you are presently employed.

LARGE CORPORATION STRUCTURES AND THE IMPACT ON YOUR CAREER

A generalized reporting structure that is typical of most large engineering corporations and companies is shown in Figure 12-3.

At the top are the CEO and corporate board members. Reporting to the board is the next level down which is usually comprised of vice presidents responsible for the corporation's various lines of business. The vice president is usually responsible for a large business area that could contain many product lines. A typical vice president will normally have between 1,000 and 2,000 people reporting to them. Reporting to the vice presidents are the business area directors. Directors generally have between 500 and 700 people reporting to them. Reporting to the directors are the managers which have 100–150 people they are responsible for. Below the manager are the lead engineers who are generally responsible for the development of specific parts of a product. And reporting to the lead engineers are the engineers designing, building, and testing the products.

Working for a large corporation has its own unique advantages and disadvantages as well as special challenges. These are summarized in Figure 12-4.

In a large corporation, you generally have more job security since there are a large number of contracts and products in the corporation portfolio. This

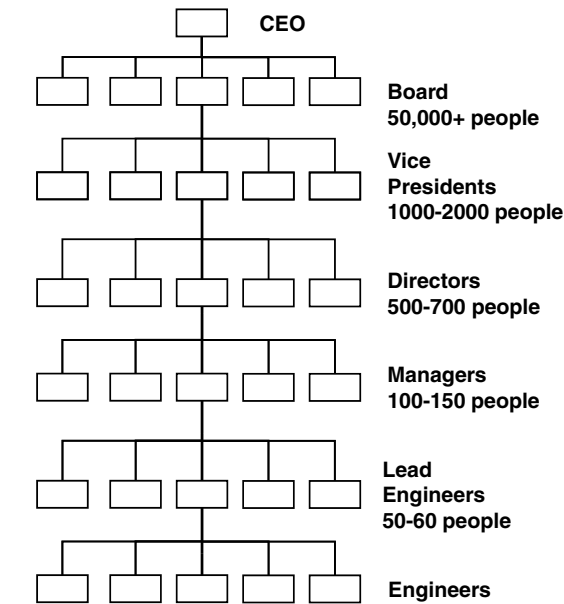


FIGURE 12-3 Generalized large company structure.

Advantages

- Better job security (many products/contracts)
- Better benefits and salary
 - Medical, educational, higher salaries
- Abundance of resources
 - Technical experts, laboratories, and facilities
 - Mentors
- More opportunity for advancement
- Larger career support structure
 - HR, training

Disadvantages

- Little or no upper management visibility
- Competition for raises and promotions
- Small scope in job assignments—focus on one specific task
- Large bureaucracies / slow moving

Special Challenges

- Ability to work in team environment
- Ability to work with constant supervision
- Oftentimes work on one small task, contribution may seem insignificant

FIGURE 12-4 Advantages, disadvantages, and special challenges when working in large corporations.

offers the advantage to the engineer of being able to transfer from one product line to another, as jobs come and go, without having to leave the company.

► **Career Tip.** Large corporations tend to offer more job security and better benefits compared with smaller companies.

Another advantage is that corporations usually have better medical benefits, better chances of obtaining an advanced degree on company funding, and generally the salaries are higher. A large corporation generally has a larger abundance of resources the engineer can call upon when needed, as compared to small companies with very limited resources. In addition, there are generally more opportunities for advancement and more of a career support structure in terms of HR and training offered.

Working in large corporations may also present some disadvantages for career growth. In a large corporation there is often little visibility, or none at all, with upper management for the average engineer. When I worked at Honeywell, I had 5 years of service before I met the CEO. In a large corporation, you have to work at getting upper management visibility. It is not simply walking down the hall to the owner's office like in a small company.

There is more competition for raises and promotions in a large corporation. You generally have assignments smaller in scope and directed toward one specific task. Finally, you have to deal with bureaucracies in large corporations. In a small company, decisions are made quickly and usually involve only one or two people. In a corporation, the decisions often have to be approved "Up Chain" and may take several days, weeks, or even months to obtain.

► **Career Tip.** Large corporations may have many people competing for a single position resulting in more competition for promotions.

There are special career challenges associated with employment in large corporations. One career challenge is working on large teams or doing your job in a team environment. You must be able to work effectively with people of all levels and different backgrounds. Team meetings are common and getting a team approval of your design can take a significant amount of effort. You must also be able to work under constant supervision. With all the levels of management in a major corporation, there are constant reviews to track progress. Finally, your tasks may seem insignificant in the grand scheme of things and many engineers find this very discouraging.

You often work on one single small task, or your tasks may use very little of your formal university training and capabilities, leaving the junior engineer

wondering why he or she had to take all those years of advanced calculus. Only after you have proven you can handle it, is the scope of your workload increased.

SUMMARY

Whether you are working for a small company or a large corporation you can have a successful career. Both have advantages and disadvantages, as well as special career challenges. Working in a small company requires you to be able to work with limited resources and oftentimes do more than just engineering. Your job assignments will have a broader scope than in corporations. In general, you have less security and benefits, but you are positioned right if your company business is successful.

Working in a large corporation requires you to be able to handle the bureaucracy and large team environment. Your job assignments will be more focused and narrow in scope. In general, you have better benefits and security, but there will be more competition for raises and promotions.

The key is recognizing your type of personality and if it fits the personality required by the size of your company. Are you a small company person or a large corporation person, or something in-between? If you have a match, this is great. If you feel you have a mismatch, it is time to start career planning and make some changes.

Have you identified any career actions you want to take as a result of reading this chapter? Please make sure to capture them now before you forget by recording them in the notes section at the back of the book.

ASSIGNMENTS AND DISCUSSION TOPICS

- 1 Which is better to work for: a large corporation or small company?
- 2 Name two benefits of working for a small company. What are the disadvantages?
- 3 Name two benefits of working for a large corporation. What are the disadvantages?
- 4 What should you do if your personal style does not match your company? Retrain or move on?