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# wisdom > LEARN FROM ROLE MODELS

> "I believe that virtually every problem in the world exists because business hasn't made finding a solution a priority."

## Gary Hirshberg Grows Company That Makes Planet a Priority



JODI HILTON/The New York Times/Redux Pictures

"Business is the most powerful force in the world," says Gary Hirshberg. "I believe that virtually every problem in the world exists because business hasn't made finding a solution a priority." Co-founder, former CEO, and current chairman of Stonyfield Farm, the world's largest producer of organic yogurt, he's the author of *Serving It Up: How to Make Money and Save the World* and was named one of "America's Most Promising Social Entrepreneurs" by *BusinessWeek* magazine.

The mission of Stonyfield Farm is straightforward: "Offer a pure and healthy product that tastes good and earns a profit without harming the environment." This translates into a triple bottom line of being economically, socially, and environmentally responsible. Hirshberg says that Stonyfield Farm "factors the planet into all our decisions.... Going green is not just the right thing to do, but a great way to build a successful business." He further states that Stonyfield is always "looking at every aspect of our business to make ourselves more green."

That thinking has helped grow Stonyfield Farm into the number one maker of organic yogurt in the world. The company uses dairy-farm suppliers who pledge not to use bovine growth hormone (BGH) and operates on the principle that "healthy food can only come from a healthy planet." Hirshberg's current focus is on better labeling for genetically engineered foods and new national food and agriculture policies.

### FIND INSPIRATION

In a commencement address at Bates College, Hirshberg told graduates there is no need to trade off ecological responsibility for economic success. Is this the message you get when you go to school or work and talk to friends or co-workers? Can the Stonyfield Farms business model be applied to other firms in a wide variety of industries? How can you make a commitment to the 3 P's and positive stewardship a part of your career plan? As a manager, how can you integrate your decision making so the 3 P's are always in focus?

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## Reflect on the Self-Assessment Global Intelligence

### Instructions

Use the following scale to rate yourself on each of these 10 items.<sup>28</sup>

- 1 Very Poor
- 2 Poor
- 3 Acceptable
- 4 Good
- 5 Very Good

- \_\_\_ 1. I understand my own culture in terms of its expectations, values, and influence on communication and relationships.
- \_\_\_ 2. When someone presents me with a different point of view, I try to understand it rather than attack it.
- \_\_\_ 3. I am comfortable dealing with situations where the available information is incomplete and the outcomes are unpredictable.
- \_\_\_ 4. I am open to new situations and am always looking for new information and learning opportunities.
- \_\_\_ 5. I have a good understanding of the attitudes and perceptions toward my culture as they are held by people from other cultures.
- \_\_\_ 6. I am always gathering information about other countries and cultures and trying to learn from them.
- \_\_\_ 7. I am well informed regarding the major differences in the government, political, and economic systems around the world.
- \_\_\_ 8. I work hard to increase my understanding of people from other cultures.
- \_\_\_ 9. I am able to adjust my communication style to work effectively with people from different cultures.

## Contribute to the Class Exercise

### American Football

#### Instructions

Form into groups as assigned by the instructor. In the group do the following.<sup>29</sup>

1. Discuss "American Football"—the rules, the way the game is played, the way players and coaches behave, and the rules of owners and fans.
2. Use "American Football" as a metaphor to explain the way U.S. corporations run and how they tend to behave in terms of strategies and goals.
3. Prepare a class presentation for a group of visiting Japanese business executives. In this presentation, use the metaphor of "American Football" to (1) explain American business strategies and practices to the Japanese and (2) critique the potential strengths and weaknesses of the American business approach in terms of success in the global marketplace.

## Manage a Critical Incident

### Silent Team Members

The course instructor professor assigned students to teams for a case study in two parts spaced two weeks apart: Part A requires a preliminary oral presentation and Part B requires a final presentation and written report. Your team has five members, including one each from Japan and Indonesia. The team had three face-to-face meetings while preparing Part A. The Japanese and Indonesian members said very little, although they had extensive notes of information retrieved from research on the Internet. But they

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- people from other cultures.
- \_\_\_ 6. I am always gathering information about other countries and cultures and trying to learn from them.
  - \_\_\_ 7. I am well informed regarding the major differences in the government, political, and economic systems around the world.
  - \_\_\_ 8. I work hard to increase my understanding of people from other cultures.
  - \_\_\_ 9. I am able to adjust my communication style to work effectively with people from different cultures.
  - \_\_\_ 10. I can recognize when cultural differences are influencing working relationships, and I adjust my attitudes and behavior accordingly.

### Interpretation

In order to be successful in the global economy, you must be comfortable with cultural diversity. This requires a global mindset that is receptive to and respectful of cultural differences, global knowledge that includes the continuing quest to know and learn more about other nations and cultures, and global work skills that allow you to work effectively across cultures.

### Scoring

The goal is to score as close to a perfect "5" as possible on each of the three dimensions of global intelligence. Develop your scores as follows:

- 1. Items (1 + 2 + 3 + 4)/4 = *Global Mind-Set Score*
- 2. Items (5 + 6 + 7)/3 = *Global Knowledge Score*
- 3. Items (8 + 9 + 10)/3 = *Global Work Skills Score*

## Silent Team Members

The course instructor professor assigned students to teams for a case study in two parts spaced two weeks apart: Part A requires a preliminary oral presentation and Part B requires a final presentation and written report. Your team has five members, including one each from Japan and Indonesia. The team had three face-to-face meetings while preparing Part A. The Japanese and Indonesian members said very little, although they had extensive notes of information retrieved from research on the Internet. But they were even hesitant to answer when asked direct questions. The other three members created the preliminary presentation and assigned parts for everyone to deliver. The Japanese and Indonesian team members struggled with their parts of the presentation and didn't contribute during the question-and-answer session. The instructor said the team's Part A presentation wasn't focused and well integrated. She said things would have to go much better on Part B if the team expected a high grade. The team is scheduled to meet tonight to recap Part A and start work on Part B.

### Questions

What can you say and do at this meeting to set the stage for higher performance on Part B? How might team dynamics and cross-cultural diversity have contributed to the Part A results? What insights from cultural models might explain the behavior of your Japanese and Indonesian teammates? How can they be better engaged so that the team takes best advantage of all of members' talents going forward? What role can you play in future team meetings to help accomplish this goal?

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negatively affect the way people relate to one another.

# analysis > MAKE DATA YOUR FRIEND

> 74% of working adults say they don't have enough time for their children.

## Organization Cultures Must Face Up to Emerging Work-Life Trends



Arvid Steilay/Getty Images

If you have any doubts regarding the importance of work-life issues and their implications for organizational cultures and management practices, consider these facts:

- 78% of American couples are dual-wage earners.
- 63% believe they don't have enough time for their spouses or partners.
- 74% believe they don't have enough time for their children.
- 53% are spending time caring for elderly relatives.
- Both baby boomers (87%) and millennials (89%) rate flexible work as important.
- Both baby boomers (63%) and millennials (69%) want opportunities to work remotely at least part of the time.

### YOUR THOUGHTS?

What organizational culture issues are raised by these facts? What should employers do to best respond to the situation described here? What about you? Are you prepared to succeed in a work culture that doesn't respect these facts? Or, are you preparing right now to always find and be attractive to employers who do?

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### CASE 11

## NIKE Spreading Out to Win the Race

Nike is indisputably a giant in the athletic industry. But the Portland, Oregon, company has reached the top by knowing how to stay small. Nike has managed to become an industry leader by focusing on core competencies—and outsourcing other tasks and functions. But can it stay out in front?



© Richard Clement/Reuters/Corbis

### Where's the Company?

If you don't make anything, what do you actually do? It's not a

factories that it uses to make shoes, apparel, and other sporting goods.<sup>2</sup> It released the data in conjunction with a comprehensive corporate responsibility report summarizing the environmental impact and the labor situations of its contract factories.<sup>3</sup>

### Jordan Isn't Forever

Banking on the star power of its Swoosh, Nike has successfully branded apparel, sporting goods, and even sunglasses. Like many large companies who have found themselves at odds with the possible limitations of their brand, Nike realized that it would have to master the one-two punch: identifying new needs and supplying creative and desirable products to fill those needs.

In fitting with the times, Nike's VP of Global Design, John R. Hoke III, encourages his designers to develop environmentally sustainable designs like the Nike Free, a lightweight running shoe that boosted sales dramatically.<sup>4</sup> And Nike's Sustainable Business & Innovation Lab funds outside startups focused on alternative energies, more efficient approaches to manufacturing, and the promotion of healthy lifestyles.

### Staying in Front

Pressures is mounting from outside Nike's Beaverton, Oregon, headquarters. German rival Adidas drew a few strides closer to Nike when it purchased Reebok.<sup>5</sup> The new super group of shoes isn't far off from Nike's market size. But when faced with such challenges, Nike simply knocks its hat against its elms and steps up to the plate. Says Nike spokesman Alan Marks: "Of course we're in a competitive business, but we win by staying focused on our strategies and our consumers. And from that perspective nothing has changed."<sup>6</sup>

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## Where's the Company?

If you don't make anything, what do you actually do? It's not a joke or a Buddhist riddle. Rather, it's a conundrum about one of the most successful companies in the United States—Nike. The company is known worldwide for its products, none of which it actually makes. But if you outsource everything, what's left? The answer, for starters, is a whole lot of brand recognition.

Since captivating the shoe-buying public in the early 1980s with legendary spokesperson Michael Jordan, Nike continues to outpace the athletic shoe competition while spreading its brand through an ever-widening universe of sports equipment, apparel, and paraphernalia. The ever-present Swoosh graces everything from bumper stickers to sunglasses to high school sports uniforms. Nike products embody a love of sport, discipline, ambition, practice, and other athletic traits.<sup>7</sup>

## Outsourcing Wins the Race

Nike has cleverly kept its advertising agency nestled close to home, but has relied extensively on outsourcing many nonexecutive and back-office responsibilities to reduce overhead. The firm is structured around its core competency in product design—not manufacturing. But Nike has taken outsourcing to a new level, with subcontractors producing all of its shoes. Although this hasn't hurt product quality, it has challenged Nike's reputation for social responsibility.

In a move designed to turn critics into converts, Nike posts information on its Web site detailing every one of the hundreds of

contract manufacturing processes worldwide. Some of the major goals of the firm isn't far off from Nike's market size. But when faced with such challenges, Nike simply knocks its bat against its cleats and steps up to the plate. Says Nike spokesman Alan Marks: "Of course we're in a competitive business, but we win by staying focused on our strategies and our consumers. And from that perspective nothing has changed."<sup>8</sup>

## Keeping It Together

Nike has so far balanced size and pressure to remain successful by leveraging a decentralized and networked organization structure. Individual business centers—such as research, production, and marketing—are free to focus on their core competencies without worrying about the effects of corporate bloat. The company has found continued marketplace success by positioning itself not simply as a sneaker company but as a brand that fulfills the evolving needs of today's athletes and athletes-at-heart. Will Nike continue to profit from its organization structure, or will it spread itself so thin that its competition will overtake it?

## Case Analysis Questions

1. **Discussion** What factors drive Nike's decision to stick with some form of network organizational structure rather than own its manufacturing operations?
2. **Discussion** Could a shift toward a more mechanistic organizational design help Nike avoid past reputational problems with its global supply chain, such as bad labor practices by some of its foreign contractors?
3. **Problem Solving** Draw a diagram that shows what you believe Nike's present organizational structure looks like. Be sure to include all possible components. Next look at the diagram as an organization design consultant. Ask: How can this structure be improved? How can Nike

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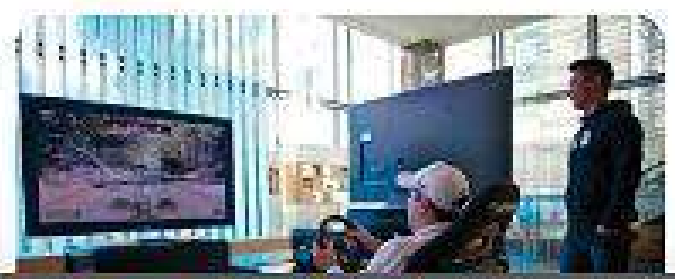
gain even more operating efficiency without losing its performance edge in terms of continually coming up with innovative, high quality, top-design shoes?

4. **Further Research** What is the current state of competition in this industry? Is Nike continuing to pull away from rivals, or are they catching up? Are new, sleek, and faster rivals starting to get into the picture? What moves has Nike made in regard to how it handles the vast amount of subcontracting used in its supply chain? Does it still have problems keeping control of this supply chain? Is Nike's organizational structure still a major strength that contributes to its success, or is it creating problems that will call for organizational design changes in the future?

**CASE 12**

**GAMIFICATION**  
**Finding Legitimacy in the New Corporate Culture**

Would you be surprised to see a co-worker playing a video game, and realizing the boss didn't care? Companies are increasingly using video games or "gamification" as a way to enhance productivity and increase creativity and satisfaction in the workplace.



The commercial contexts within which gamification continues to grow range from customer engagement, to employee performance to training, to innovation management, to personal development, to sustainability.

**Top Firms Are Playing Games**

Well-known firms are now riding the gamification band wagon. Nike uses a gaming platform called Nike+ to encourage higher levels of performance among consumers of their athletic products. At Khan Academy, a nonprofit educational institution founded by Harvard graduate Salman Khan and which reaches approximately 10 million students each month, gamification is a core method for enhancing students' learning experience.<sup>5</sup> An IBM executive says the firm's use of gaming for employees who spend lots of time working from home or traveling is a "way to help colleagues connect and stay engaged." Software Company SAP uses a game that includes "assigning sales leads and environmental challenges that award points for tasks like carpooling," says its chief innovation strategist, Mario Herge.<sup>6</sup>

**Games Change Cultures**

Gaming interfaces are changing traditional workplace rules and behavioral norms, or at least realigning them with popular culture. Users believe that gaming helps employees feel more engaged and connected in an online environment that they can enjoy separately from work activities. Gaming can be used in strategic planning to simulate various business scenarios. Reward and competition tactics in games can be applied to boost interest in mundane tasks like data entry and invoicing.

Although some fear that gaming has the potential to breed unhealthy competition and hurt relationships, experts claim it's a great motivator that can increase employees' enthusiasm for their daily activities and the energy they bring to work. Game-specific problem solving can also enhance critical think-



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governments operating with strict rules, speaking on the cross the country.

his personal transformation from a government-public focus to a retailing-market focus emerged from the realization that a store for the people, run by the people, could be a success. Following college, he matriculated to Harvard business school, where after graduation he went to work for the Original Panera Bread Company. With a desire to start his own cookie business, he was ultimately able to find a tiny retail location, opening the first Panera Bread in 1980. This first taste of entrepreneurialism ultimately led to a license agreement with Au Bon Pain, and to the founding of Panera Co., which has become famous with the explosion of Panera Co.<sup>5</sup>

### Working It Out

Panera's attention to monitoring trends has paid off handsomely. *BusinessWeek* recognized Panera as one of its "100 Best Growth Companies." And *Forbes* named it number 4 on its list of "Top 20 Franchises for the Buck." It consistently ranks at the top of Sandleman & Associates surveys of customer satisfaction.<sup>6</sup> Under Shaich's leadership Panera has demonstrated that sticking to company ideals while staying in the fast-food industry trends will please customers time and time again. But can this company continue to navigate the changing industry trends and concerns about fast food in today's competitive market?

## CASE 16

### SAS

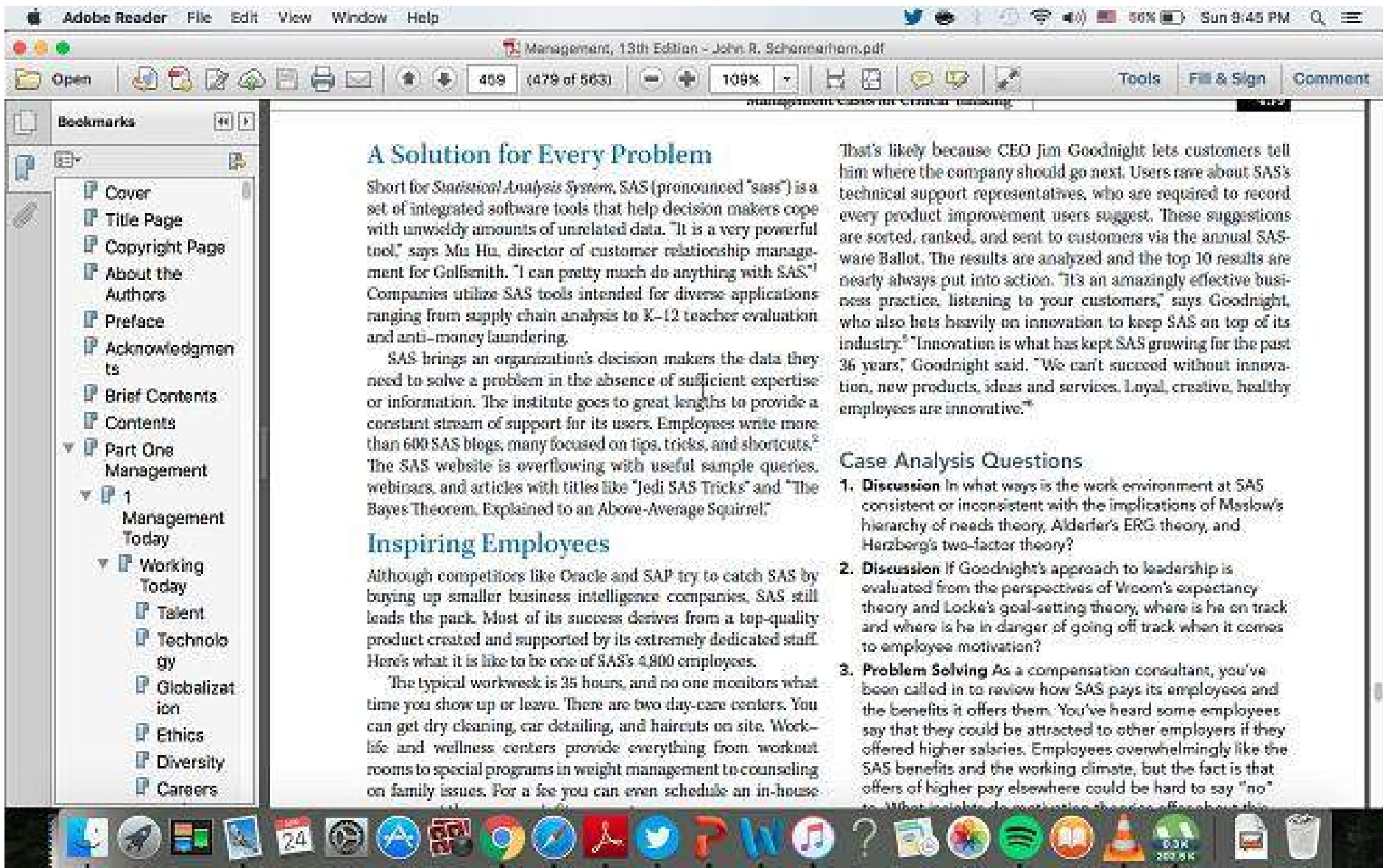
## Business Success Starts on the Inside

How can a company that makes unemotional business software create so much positive emotion among employees and customers? Who are we talking about? The company is SAS Institute, headquartered in North Carolina. It's the world's largest privately owned software firm and a regular among top-rated firms on Fortune magazine's annual list of "Best Companies to Work For."



Cherly Kurz/aii/Redux Pictures





## A Solution for Every Problem

Short for *Statistical Analysis System*, SAS (pronounced "sass") is a set of integrated software tools that help decision makers cope with unwieldy amounts of unrelated data. "It is a very powerful tool," says Mia Hu, director of customer relationship management for Golfsmith. "I can pretty much do anything with SAS."<sup>1</sup> Companies utilize SAS tools intended for diverse applications ranging from supply chain analysis to K–12 teacher evaluation and anti-money laundering.

SAS brings an organization's decision makers the data they need to solve a problem in the absence of sufficient expertise or information. The institute goes to great lengths to provide a constant stream of support for its users. Employees write more than 600 SAS blogs, many focused on tips, tricks, and shortcuts.<sup>2</sup> The SAS website is overflowing with useful sample queries, webinars, and articles with titles like "Jedi SAS Tricks" and "The Bayes Theorem, Explained to an Above-Average Squirrel."

## Inspiring Employees

Although competitors like Oracle and SAP try to catch SAS by buying up smaller business intelligence companies, SAS still leads the pack. Most of its success derives from a top-quality product created and supported by its extremely dedicated staff. Here's what it is like to be one of SAS's 4,800 employees.

The typical workweek is 35 hours, and no one monitors what time you show up or leave. There are two day-care centers. You can get dry cleaning, car detailing, and haircuts on site. Work-life and wellness centers provide everything from workout rooms to special programs in weight management to counseling on family issues. For a fee you can even schedule an in-house

That's likely because CEO Jim Goodnight lets customers tell him where the company should go next. Users rave about SAS's technical support representatives, who are required to record every product improvement users suggest. These suggestions are sorted, ranked, and sent to customers via the annual SASware Ballot. The results are analyzed and the top 10 results are nearly always put into action. "It's an amazingly effective business practice, listening to your customers," says Goodnight, who also bets heavily on innovation to keep SAS on top of its industry.<sup>3</sup> "Innovation is what has kept SAS growing for the past 36 years," Goodnight said. "We can't succeed without innovation, new products, ideas and services. Loyal, creative, healthy employees are innovative."<sup>4</sup>

## Case Analysis Questions

- 1. Discussion** In what ways is the work environment at SAS consistent or inconsistent with the implications of Maslow's hierarchy of needs theory, Alderfer's ERG theory, and Herzberg's two-factor theory?
- 2. Discussion** If Goodnight's approach to leadership is evaluated from the perspectives of Vroom's expectancy theory and Locke's goal-setting theory, where is he on track and where is he in danger of going off track when it comes to employee motivation?
- 3. Problem Solving** As a compensation consultant, you've been called in to review how SAS pays its employees and the benefits it offers them. You've heard some employees say that they could be attracted to other employers if they offered higher salaries. Employees overwhelmingly like the SAS benefits and the working climate, but the fact is that offers of higher pay elsewhere could be hard to say "no" to. What advice do you give the compensation officer about this?

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life and wellness centers provide everything from workout rooms to special programs in weight management to counseling on family issues. For a fee you can even schedule an in-house masseur at the company's fitness center.

SAS offers no stock options and does not offer the highest salaries. CEO Jim Goodnight believes pampering makes up for the lack of outright financial incentives. "My chief assets walk out the door every day," he says. "My job is to make sure they come back." Employee Ber Brown says: "Some may think that because SAS is family-friendly and has great benefits that we don't work hard, but people do work hard here because they're motivated to care for a company that takes care of them."<sup>3</sup>

SAS buys undeveloped acres near its North Carolina headquarters and resells them to employees at a discount so they'll establish roots nearby. The corporate campus is a small town unto itself, with a state-of-the-art nursery school, health center, and even private junior and senior high schools. Mark Moorman, senior director in the Advanced Analytics Lab at SAS, summarizes the company's people strategy as: "We're willing to take care of you if you're willing to take care of us." It must be working: Employee turnover is less than 4% per year, compared with 15% turnover at typical U.S. software houses.<sup>4</sup>

### Loyal Employees Bring Loyal Customers

Customers are equally enamored with the company. In fact, 95% of companies renew their annual lease of SAS software.

offered higher salaries. Employees overwhelmingly like the SAS benefits and the working climate, but the fact is that offers of higher pay elsewhere could be hard to say "no" to. What insights do motivation theories offer about this situation? Should it be addressed somehow with changes to the way SAS presently operates? Or, is this a situation where time will take its course and those who leave will depart for their own good reasons, while those who stay will continue to be motivated to work hard by the current system?

4. **Further Research** What's the latest news on SAS? How is the company doing in its industry? How is Goodnight faring as CEO? Are the employees still as motivated and happy as they appear in this case? Have any changes been made in compensation, benefits, or work practices at SAS? Are any such changes being planned? In short, is SAS Institute still a motivational role model for other employers, or is it starting to show some rough edges?

## CASE 17

### AUTO RACING

#### When the Driver Takes a Back Seat

When you think of auto racing, do you first think of drivers . . . or teamwork? Watch any televised race, and the majority of the camera time is dedicated to the drivers and their cars. But, the driver is simply one member of a larger team that works together to achieve maximum performance. When the driver wins, the team wins as well, and the driver is the first to thank them.