



Managing Essentials

International

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Editorial: The metrics of happiness - Learning HRM from Google.

By Wolfgang Battmann and Roland Maass

Wherever Google has offices in this world, it has the best chances to emerge soon as the most sought after and highest rated employer. With its “don’t be evil” informal company motto, Google does not have the most elaborate value system, but certainly exhibits a clear attitude when it comes to its employees. It wants to make them “happy”. In addition, one might become “a better person” working for Google. The last remark may express some self-irony and insight by its founders recognizing that it was not only brilliance and strategy which has made them multi-billionaires, but also good fortune, and that this status is connected with temptations known to everybody together with the opportunity to overcome them.

But whatever may be meant by that remark, Google is a very successful employer by making its offices home for its people. The drawings of the new campus planned in California show middle sized interconnected office

buildings in a park with cafes and leisure activity areas. The environmental and social aspects dominate. Green is the dominant color, and people appear everywhere, lying on the grass, having a coffee, camping on the roof, and, yes, also attending a yoga class. Compare that to the new or planned facilities of competitors. Some are artful and futuristic monuments, but none of them focuses on creating a social and communicational environment for those actually working there.

Buildings are more than shelter from storm and wind but have practical and symbolic functions. Not by chance do Google and other high-tech companies speak of “campuses” when it comes to their office buildings, and this one planned by Google tries to enable exactly the atmosphere of a communicative culture in a beautiful world of arts and science which only the academic world

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Cultural Issues

US tycoon and French minister exchange their national stereotypes.

Cultures clashed when US-American industrialist Maurice Taylor, chief executive of tire producer Titan, travelled to France for a possible take-over of a plant in Amiens. Compliments for the beauty of French women did not help. His bashing of the French work-culture infuriated the country. Henry Samuel from the British “Telegraph” gives an objective account of the events and

Miles Moore from “tirebusiness” details the context.

Press and public of France felt insulted when Maurice Taylor complained in a private letter to French Industry Minister, Arnaud Montebourg, about the ethic of French Workers: “They get one hour for

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US tycoon and French minister exchange their national stereotypes. (continued)

breaks and lunch, talk for three and work for three". These words were the moderate part of a letter later bashing "crazy" unions and "so-called" workers. The letter was leaked and the minister answered the "extremist" and "insulting" words publicly. In his answer he stressed the size and technological leadership of French competitor Michelin, promised a close look at Titan's products in France and reminded Americans of Lafayette's merits toward the United States. Taylor responded quickly to extend his criticism to the French political class, which he saw as "out of touch with realities". Unfortunately, "extremists" in the government have "no idea how to build a business" and also forgot how the US helped France by landing at Normandy during World War II.

The event is a good example of a situation in which supposed cultural issues become an instrument of two big egos clashing. Both were angry, Minister Montebourg about the tone, and chief executive Taylor about the leakage of his letter. Factually, many French would admit a grain of truth in Taylor's words and many Americans that a letter with such wording should not have been sent. In the end, sharing in the fun of watching big boys fight and argue as if at the kitchen table may even have improved the relations between both peoples.



Portrait d'un sans-culotte,
Louis-Léopold Boilly*

Links and Literature

Titan boss Maurice Taylor tells French they have 'beautiful women' but 'no idea how to run a business' (Henry Samuel)

www.managing-essentials.com/3ca

War of words: Titan boss, French official spar over workers' habits (Miles Moore)

www.managing-essentials.com/3cb

Chinese men get grey hair as well.

When high ranking Chinese politicians step onto stages, they do so in blue formal suits and with black hair. Video showing former premier minister Zhu Rongji with his natural grey hair demonstrated what everybody guessed all along: many dye their hair. Celia Hatton from the "BBC" answers the question as to why dying is of importance for Chinese politicians in office.

That state television showing Zhu Rongji with grey hair at a conference together with other retired Chinese leaders spurred a lively discussion focusing less on what was said but that grey hair was publicly displayed. This commitment to advanced age was welcomed and lauded by many, but also perceived as a shocking break of protocol. In fact, acting politicians regularly dye their hair and wear formal suits so similar that individuals are hard to distinguish from some distance. Professor Steve Tsang from the University of Nottingham explains this uniformity of Chinese leaders as an example of well considered impression formation. In their appearance they symbolize the discipline, unity and collectivity of the

leading group and the Party in general. In addition, the suits now express a "new tradition" after having taken over from the uniforms inspired by Mao Zedong decades ago.

Some observers remark that stressing the collective nature of the leadership also implies a tendency to dodge individual responsibility. This must not necessarily be true as the singling out of undisciplined party members in the fight against corruption shows. However, the uniform appearance of the Chinese leadership is a nice example for collectivism. As many historical events confirm, Chinese leaders are neither less emotional than other individuals nor is the system free from infighting, but such inner workings are not publicly displayed. Even if the hair may not be dyed and no suit resembling a uniform is worn, to recall the picture of the Chinese leadership can help to understand business partners from collectivistic countries better in their wording and social behavior.

**Dying the hair
for unity**

Links and Literature

Fighting grey: Why do China's leaders dye their hair? (Celia Hatton)
www.managing-essentials.com/3cc

Managing people

Advancing written communication.

Once upon a time there was only the formal letter and the informal memo, nowadays there is a variety of written communication methods. The basic concern, to avoid being overlooked, to be consciously ignored or to receive a brief and often dismissing answer remains the same. Bryan A. Garner gives some advice on how to advance writing in a recently published book, which was excerpted in a three part series in the "Harvard Business Review". His more philosophical insights can be found in an interview by Jesse Pearson and Laura Park from "vice.com".

The most often used – and most treacherous – form of written communication is the email. It comes closest to a letter and Garner advises to consequently take the formal aspects of email serious. Emails should not look "rushed" without a reason evident to the recipient. Typos may be interpreted as carelessness, abbreviations may indicate a lack of appreciation, "cc:" and

especially "bcc" recipients should be carefully considered to avoid flooding and indiscreetness. The subject line is the attention grabber and should reflect what the mail is about and what the writer wants to achieve. The text should be as brief as three criteria allow: politeness, clearness, and sufficient context for a reader to whom the topic is most likely just one of many. If possible, a single screen/page should suffice.

For some readers, book and articles will give new hints, many readers will find explications and reminders of what they thought to have known already. These explications and reminders are, however, a good way to bridge the gap between vague theory and best practice. Of course communication should consider the recipient, but how is this specifically done? Letter or email? Especially for important communication some guided reflection cannot go wrong – and which communication is unimportant?

The wrong feeling of "being right".

Nobody wants to be wrong, but the feeling of being right and the insistence on ones position often leads to meetings so heated that productivity is lost. Judith E. Glaser from the "Harvard Business Review" gives valuable advice on how to prevent escalations.

To know something with "certainty" is often the beginning of discussions in which the egos of the participants trump the issues. If you anticipate that a meeting will become testy, setting a framework and rules for the discussion will often help. It should be agreed upon in advance who speaks when and for how long to avoid dominant players. In addition, the need of attentive and active listening should be stressed. Especially if participants' status differs, such rules help to keep emotions in check. Finally, participants should be made aware of the nature of the issue and the arguments in advance. Things

are rarely "crystal clear". Many discussions focus on complex issues in which inferences and not facts are exchanged. Some modesty is always advised.

Some years ago, Robert Burton pointed out in an excellent book that "being right" is just a "feeling of knowledge" and as such hard to cope with in a reasonable manner. Individuals often ignore facts in order to avoid being shaken in their false perception and so they won't have to change their minds. As a result, there are two problems which arise. First, we are often wrong, and, second, we don't want to know about it. It is wise to take this insight into account. "The greatest enemy of knowledge is not ignorance, it is the illusion of knowledge", Stephen Hawkins said.



The Village Postman,
William Edward Millner**

Links and Literature

Write E-Mails That People Won't Ignore (Bryan A. Garner)
www.managing-essentials.com/3cd

Bryan Garner (Jesse Pearson, Laura Park)
www.managing-essentials.com/3ce

**Uncertainty is
the rule, not the
exception**

Links and Literature

Your Brain Is Hooked on Being Right (Judith E. Glaser)
www.managing-essentials.com/3cf

The certainty epidemic: We all seem convinced we're right about politics, religion or science these days. What makes us so sure of ourselves? (Robert Burton)
www.managing-essentials.com/3cg

Business Cases

Insight selling.

Consumers are much more emancipated than twenty years ago. The internet has contributed to a deeper knowledge about products, contract conditions, and prices. Since Brent Adamson, Matthew Dixon and Nicholas Thoman announced the end of “solution sales” for business to business negotiations in the “Harvard Business Review”, the alternative approach, “insight selling”, has gained traction with consumers. Jane O’Brien from the “BBC” gives some examples of this emerging trend.

In the time of the educated customer the lines between “business to business” and “business to customer” blur. In both arenas sales staff meets well prepared and knowledgeable individuals who know what they want. The classical “sales of solutions”, in which sales staff came around with expertise for an actual problem to help those in need, is coming to an end. Instead sales are generated by connecting to the lifecycle and context of a project or a product.

Providing educational information, broadening the perspective and embedding the product in new contexts are core aspects of what is now called “insight marketing”. Thereby the producer establishes a continuous and often cross-medial presence in the conscience of the consumer. A popular example is an app for the Golf GTI embedding the car in a computer game which was downloaded more than 3.7 million times.

The discovery of Insight selling is surprising since it is nothing more than back to the roots marketing. The product is not seen in isolation but in context to life and the needs of individuals or companies using it. In fact, the highly educated and emancipated consumers of the future will exert even more pressure on companies to sell products which are truly valuable in their functionalities. This is how trading started some thousand years ago. Goods should be good.

Links and Literature

The End of Solution Sales (Brent Adamson, Matthew Dixon, and Nicholas Toman)
www.managing-essentials.com/3c1

Insight selling: How retailers sell to us by stealth (Jane O'Brien)
www.managing-essentials.com/3cz

**The value of
products
rediscovered**

Links and Literature

Share Everything: Why the Way We Consume Has Changed Forever (Emily Badger)
www.managing-essentials.com/3c1

The rise of the sharing economy: On the internet, everything is for hire (Economist staff)
www.managing-essentials.com/3c2

Sharing Economy Provides Extra Cash And Creative Expression (Tomio Geron)
www.managing-essentials.com/3c3

The sharing economy – on the rise?

Cars are only used one hour a day, many houses have a room to spare and the lawnmower stands idle in the garage for weeks. Peer to peer sharing seems rational and creates a win-win situation for everybody argues Emily Badger in the “Atlantic”. Articles in the “Economist” and by Tomio Geron in “Forbes” elaborate further examples.

The sharing of household appliances, cars, working spaces and rooms has significantly increased in the US. In particular the peer to peer rental of such assets seems to create benefits for all parties concerned: The lender saves on an investment, the renter makes some money with an underused asset and finally there are the internet platforms organizing the exchange for a fee. As far as cars and bicycles are concerned there is in addition an ecological incentive. Companies like AirBnB for shared housing or car-sharing operator Zipcar are regarded as the vanguard of a trend

driven especially by the millennial generation which is turning away from the status symbols and life style of their parents.

From the British “bed and breakfast” to special heavy machinery, sharing goods or renting them for a short period of time has a long tradition. The current movement comprises successfully tested models like bike sharing and experimental approaches like kitchen and appliances sharing. If it is accurate to state that ownership of goods often implies their idleness, renting or lending them also has its risks and increased usage implies more wear. In addition, certain forms of rentals cannot be insured adequately. Bike-sharing is currently very successful in many European cities, after years and a lot of experimentation. Comparatively, it will need some time to find out how rental for other things can be put to an optimal use.

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can offer, the world most employees of Google have lived in before.

Inside the buildings nothing will be left to chance. The workplaces will allow individualization, the meals will cater to many tastes, and opportunities to sleep for the tired as well as gear for those wanting to work out will be available. From the green roof of the building to the choices in tea and coffee, there is one department which keeps a keen eye on everything, “people operations” (POPS) as human resource management (HRM) at Google is named.

The name is program. In most companies employees only rarely contact HRM, many only twice when hired or fired. Depending on position and career others see their HRM a little more often due to formalities around their work, for expenses like travel, or special arrangements when working for the company abroad. But in general HRM has become much more administrative than it ever wanted. Of course, education, training and evaluation are part of HRM, but in many companies these areas are dealt with in a decentralized way. Yes, HRM helps when serious problems in teams or departments arise, but it is rarely proactively organized.

The POPS of Google, in contrast, seem to be everywhere, and care not only about the brand of coffee people drink, but what their Googlers talk about as far as it is of interest for the company. One method to listen is intensive surveying and observation together with detailed feedback. Most companies use employee surveys nowadays, but only a few earn the qualification “intensive” and even less excel on feedback. It is however the feedback together with the impression that surveys are indeed acted upon that makes them valuable. Most likely the employees of Google are the best researched worldwide.

POPS resembles a scientific research lab constantly monitoring and conducting experiments with their Googlers. How does the placement of sweets in the restaurants reflect in the bodyweight? More impressive are, however, the studies done about fluctuation and optimal pay scales. Even skeptics like Stacey Carroll (payscale.com) left the presentation impressed in which POPS laid down the statistical analysis leading to a flat 10% pay rise for all. Monte Carlo studies on effects of different pay schemes including the impact on the stock price may well be unique worldwide.

A second important aspect of POPS is a broadening and deepening of perspective in HRM work. The work-life balance is changing for many towards a dominance of work. Globalization and modern technology has removed the temporal and local borders which separated them. In addition, mental work and fixed times do not go together well. Googles’ answer to that problem is to create a life-space which enables work and leisure. At a workplace the quality of the coffee is not so important, because people have it at a café afterwards. In a life-space the quality of the coffee should be like at home or a little better. The “life-lab” division of POPS is, of course, an experimental one monitoring e.g. which colors are best for the walls, from an empirical point of view.

Google demonstrates that the perspective of human resources at workplaces has lead to a lowering of standards. No natural light, standardized cubicles, bad coffee on shaky chairs in a bare canteen? That seems permissible if you expect people to leave at 5pm for a cosy home. But it is in general certainly not the right environment if you hope that people will stay longer until some work is really complete or that they come in some Saturday afternoon to find a quiet place away from the distracting family life at home.

People as a source, not a resource

Links and Literature

Apple’s monolithic beauty vs. Google’s chaos: What new HQs reveal about their personalities (Ritchie King)
www.managing-essentials.com/3c7

Google’s HR Practices Explained (Stacey Carroll)
www.managing-essentials.com/3c8

Life, Liberty and the Pursuit of Happiness at Google: People Operations in Action¹ (Lisbeth Claus)
www.managing-essentials.com/3c9

The Happiness Machine: How Google became such a great place to work. (Farhad Manjoo)
www.managing-essentials.com/3c0

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