

(continued)

adding “20 years older”, because a husband fully engaged in his own career is most likely less supportive when it comes to organizing the family life. In addition, she highlights the importance of a good work-life balance without stressing oneself in the vain attempt to make it perfect. Finally and in agreement with Sandberg, she perceives a realistic self-assessment as the basis for success. Some selfishness is unavoidable, feelings of guilt should be kept in check, and overall life should not be taken too seriously.

It is Burns realism and humor which allows her advice to stand out. In addition, she makes an important point by addressing the question of the partner and the work-life balance in general. Of course women must “lean in” at the workplace, develop trust in their

Criticism in team work

It is an old custom to ask somebody to stay behind for a one-on-one talk after a meeting in order to voice criticism. The old motto of praising in public and criticizing in private may however undermine the moral of the team as Roger Schwarz argues in the “Harvard Business Review”.

Real teams are characterized by interdependency not only with regard to the task but also with regard to accountability. Criticizing in private is shifting accountability in an unproductive manner to the leader of a team and away from the interaction of the team members. In addition, singling out team members may be inappropriate since their performance depends on others. The talk under four eyes is often more a misperception of the leadership role and an expression of the avoidance to give negative feedback in public. Schwarz advises team leaders to make the team aware of the common accountability and that this necessarily implies also open and honest criticism. Accountability should be explicated and become a regular subject in meetings.

abilities, and advance personal skills. The highest proportion of women in leading positions is however found in some Scandinavian countries which made it easier to embed the diverse social roles of women around their work. Most women cannot build a nursery close to their offices and need a social structure supporting business travel and overtime. Finally it is refreshing that Burns puts work into context, it is a central element of life but not life.

In fact singling out somebody after a team meeting is always problematic. First, what was said often finds its way into the team in an informal and biased way. The fact of the talk as such will be noted and discussed. Second, frequently leaders prefer the one-on-one talk because they have difficulties to voice criticism in an appropriate manner. Effective criticism requires a thoughtful approach between the facts and the communication. It is critical that facts be established, but in a manner that is not damaging the individual and team to the point that the group becomes ineffective. Therefore criticism in private should be a method of last resort. Addressing the problem in front of the whole team may be more demanding in its formulation, but is more productive with regard to solving the problem and establishing open communication.



Links and Literature

Xerox CEO Ursula Burns Has Advice for Ambitious Women (Leslie Kwoh) www.managing-essentials.com/3da

Sheryl Sandberg (2013). Lean In: Women, Work, and the Will to Lead. New York: Knopf. www.managing-essentials.com/3db

Good critics can face their team

Links and Literature

How Criticising in Private undermines Your team (Roger Schwarz) www.managing-essentials.com/3dc

Cultural Issues

Wine is no longer defining the French culture

Many countries grow wine, but in none it has become such a deeply rooted expression of culture as in France. The history of wine consumption as a widespread lifestyle reaching back to the days of the French revolution seems to have come to an end. Hugh Schofield from the “BBC” presents sobering numbers for the industry and explains the background.

A closer look at the tables of French cafés reveals that the glass of wine is more a historical stereotype than reality. Wine consumption in the country is declining rapidly. In 1980 more than half of the adults consumed their glass of wine on a daily basis, now only 17% cherish this pleasure while the number of people never drinking wine has more than doubled to close to 40%. Average consumption dropped from 165 liters a year in the 1960s to less than 60

liters in 2010. Like in many parts of the world mineral water has started to win out when it comes to the drink accompanying a meal. Some have the impression that with the wine a central piece of culture and the “time honored French values of conviviality, tradition, and appreciation” may get lost.

Historically wine consumption was a clear marker of the French culture. Its recent decline clearly expresses generational differences, the impact of modern inventions such as alcohol forbidding cars as means of transport, and world-wide health trends. This is an example of the evolution which occurs at the roots of a culture and its ultimate reflection on its surface. In addition, a multitude of unrelated small processes is responsible. Now this trend will be very hard to stop and impossible to reverse.

Links and Literature

Why are the French drinking less wine? (Hugh Schofield)
www.managing-essentials.com/3di

Water on France's tables

The Chinese tourists challenge

About 100 million Chinese will travel abroad this year. This is a new record and they will in their spending also outperform the previous record holders US-America and Germany. Karla Cripps from “CNN” discusses how the new big spenders from the East challenge the Western tourism industry.

In some Asian countries Chinese are already or will soon become the biggest group of tourists, but the boom in Chinese tourism is felt worldwide. Of course it is welcomed, but Chinese tourists require special attention with regard to some travelling traditions and attitudes. Especially upper bracket hotels in Europe have started to employ staff speaking the languages and equip rooms with the traditional tea kettle and sandals. More difficult to cope with are the high demands of Chinese tourists. Especially rich tourists view their money as the key to first class services and feel racially stigmatized if they have to wait or services do not live up to their

expectations. A German tourism expert summarizes this attitude with the words “You toss coins and Western people dance for you”. Of course the statement reflects more the higher visibility of a minority of badly behaving tourists or those travelling abroad the first time. In fact rarely discussed is the also growing number of seasoned Chinese tourists who just blend in with their host countries.

A look on their colonial history explains why Chinese may feel more easily offended when encountering problems in the West. However, Chinese tourists can cause a small clash in cultures everywhere and they don't have to travel far to face resentment. Clashes between mainland Chinese tourists and locals regularly fill the tabloids of Hong Kong. To attribute the problems to the Chinese mentality however seems more than biased. Travelling requires experience with unwritten rules of etiquette many of which could not be learned until now for

many. Only now that they are increasingly allowed and able to venture outside their country they will become increasingly familiar with other cultures and that money does not buy everything everywhere. Like all tourists the Chinese demand and deserve respect and hospitality, and will return it.

Links and Literature

Chinese tourism: The good, the bad and the backlash (Karla Cripps)
www.managing-essentials.com/3di

Business Cases

Gold loses some of its shine

From the treasures of Midas to Goldfinger’s raid on Fort Knox, gold has always mesmerized humankind. But how much is there and why did it vary so much in worth in the last few decades? Ed Prior from the “BBC” discusses recent estimates and Nathaniel Popper from the “New York Times” explains why gold is losing its luster.

All gold ever mined in human history is still in existence but experts differ on the amount unearthed. Thomson Reuters GFMS give in their yearly Gold survey 171.300 tons as their last assessment and thereby come close to James Turk, the founder of Gold Money, with 155.244 tons. All this gold melted together would make up a cube with sides of less than 21 meters. The Gold Standard Institute, however, argues that about 2.5 million tons of gold were mined in human history, a speculative number taking into account illegal trading and that much of it is hidden in

vaults. At least for now, the gold rush of the last decade seems to be over. The price rallied over 650% from 1999 to 2011 but since then lost over 15%. Gold has been seen as a safe haven during the recession, but the recovering economies together with the high price level reached dampen further demand.

Gold has always been the prototype for riches based on scarce resources. This is however also the problem. Only in economic bad times gold can reach the status of a reserve currency. In good times the demand for producing jewelry remains limited and the high price level reached motivated many industrial users successfully to look for cheaper substitutes. The quantities used in technological products are often so small nowadays that recycling is not economical. In consequence, for the first time in history humankind consumes gold which may again lead to higher prices some day.



King Midas with his daughter, Walter Crane*

Links and Literature

How much gold is there in the world? (Ed Prior)
www.managing-essentials.com/3ds

Gold, Long a Secure Investment, Loses Its Luster (Nathaniel Popper)
www.managing-essentials.com/3dt

Is there already an innovation slump in the US?

While manufacturing in the US has obviously declined over the last decades, the country still perceives itself as the frontrunner in education and innovation. However, as Eamonn Fingleton from the “New York Times” explains, its leading position in innovation gets more and more challenged if it exists at all anymore.

The data on patents filed in 2011 by of the World Intellectual Property Organization (WIPO) lists only one US-American company, Qualcomm, in its top ten. The first five positions are held by Chinese and Japanese companies like ZTE, Huawei, Panasonic and Sharp together with Germany’s Bosch. The number of patents reflects the increased Research and Development (R&D) activities in Asia. Especially in China the innovative landscape is shifting fast. The number of researchers doubled since 2000 and the country may overtake the US in research spending within a

decade. This trend is fueled by economic growth, but, in addition, American Companies have started to move their R&D offshore. More than 25% of the R&D employees of US multinationals work abroad. Just five years ago the number was 16%.

Historically innovation has been linked to great inventors and individual genial ideas will always play a role. However, innovation now emerges from the interaction between design, manufacturing, and consumer research. Especially in the rapidly changing world of high tech products separation of organizational functionalities as critical as R&D within the continuous process of product development are both costly and unpractical. The data indicate that R&D will follow manufacturing and markets. A local loss in manufacturing capabilities is therefore often only the first step in losing the company as a whole.



Links and Literature

America the Innovative? (Eamonn Fingleton)
www.managing-essentials.com/3du

WIPO IP Facts and Figures, 2012 edition
www.managing-essentials.com/3dv

Editorial

(Continued from page 1)

close to forgotten and the phone itself must prove its worth to consumers in the marketing battles to come.

No company was as successful in creating "hype" like Apple Inc.. Hype means to make people excited about a product and attract their attention at least for a short moment in time. Apple did so occasionally by introducing genuinely new product classes, but, in addition, hype was also created by the product cycle and the form of presentation.

Leadership has changed, but the tradition continues. Once a year the wizard would show the results of his workshop and offer them as products to the eagerly waiting public. If the color of the smoke coming out of the chimney and the resulting noises of work to be heard during the year were intentional hints or just unavoidable byproducts of manufacturing remains an open question. However, these observable side-effects of creation inspired speculation and thereby certainly helped to hype the moment of revelation. Even when quiet, the villagers interpreted the silence as periods of creativity and asked themselves what the wizard and his helpers might think about.

Etymologically the verb "hype" developed fairly late in the late 1930s and is linked to the old Greek prefix "hyper" indicating "excess" and "exaggeration". However, the term "excess" in hyping does not imply that there is too much information in general, but that there is a lot of soft, uncertain and unreliable information circulating while hard and decisive facts are missing. This soft data is comprised of expectations, hopes, and speculations. It is the confrontation with the hard facts which lets the balloon of rumors and speculations implode and unmask what only in hindsight was clearly a hype. The researchers from Gartner Research speak in their "hype cycle" of "inflated

expectations" which is followed by a "through of disappointment".

In fact, hype is not without dangers for those wanting to thrive commercially and for those in politics and business. Disappointment is not inevitable, but the social momentum spurred by soft data can create in addition to hopes and expectations also decisions which do not pass the test of time. All data should be viewed with some skepticism, but especially soft data can be wrong, misleading or manipulated. Much as hyped stocks have ruined millions of investors in their drastic fall; hyped ideas have lost millions in their shortsightedness and the ideological blindness they created.

Fortunately hype in marketing spurs interest much more than real commitment. The decision is based on the facts, not the hype before. But as long as the hype is going on, the vague information finds a congenial partner in human curiosity. From the magicians of Medieval markets to high-tech gadgets today, people like novelties in their life, be it as a distraction or as a promise of a better future. Authors like R. Keith Sawyer see curiosity as the main driver of human progress. Curiosity drives the quest for inventions and innovations and provides fun, play and adventure on the way. Of course, speculations can be a burden and to have to engage in them is a significant stressor, but when it comes to a positive event one is only loosed linked to the greatest joy which lies in its anticipation.

To create hype as a marketing strategy consequently builds on the word-of-mouth in its modern form by seeding news in social networks. Word-of-mouth has the advantage of being traditionally vague and rumors are hard to pin down with regard to their origin and quality. In marketing and with regard to new products such vagueness is a plus. Even if the actual product may disappoint, this disappointment is a minor one and



The Passage of the Holy Grail to Sarras, Edward Reginald Frampton*

**The attraction of
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confined to those making their living with it or in the ecosystem around it. The ordinary customer will soon forget and later just choose the better alternative.

To keep momentum, hype must keep a balance between curiosity and patience, too early is as bad as too late. Nobody is excited about the opening ceremony of the next Olympic games currently. Other big sports events like the world cup take place in between and the opening is three years away. The hype will start a year before for sports enthusiasts and slowly encompass nearly everyone on this world. The event itself on Aug., 5, 2016, has a good chance to become the television event of the year. The opening of the London Olympics last year was watched by 900 mn people.

Especially on the background of fancy products and mega-events like the Olympics creating hype seems legitimate and even a good thing. Its unfolding gives people a topic to connect with, inspires discussions and provides an opportunity to share old and create new ideas. Whatever the new smart-phone or a ceremony may actually bring around, in essence, one hopes that it will be something positive enriching the lives of consumers and audiences. At least



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www.managing-essentials.com/3d2

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