

# Executive Summaries

## **Courageous Leadership: Paul Polman's Insights for the Next Generation of Business Managers.**

**John Pontillo, Celia Bravard, and Andrew J. Hoffman,** Ross School of Business and School for Environment & Sustainability, University of Michigan

In early 2021, we conducted three separate interviews with Paul Polman, the former CEO of Unilever who *The Financial Times* described as “one of the most significant chief executives of his era.” We learned how he devised the Unilever Sustainable Living Plan to transform his company and how his work with IMAGINE continues to transform business and foster collaboration. In his new book *Net Positive* Polman describes his vision for the future of business and the need for creative and courageous leaders who “thrive by giving more than they take.” These leaders will not be satisfied with doing less bad; they will strive to do more good. Our conversations consistently emphasized the importance of recognizing your responsibilities and finding your purpose. Paul Polman challenges all of us, but particularly the next generation of business leaders, to help others find their purpose, unleashing the power of business to both create financial value and benefit humanity.

## **The Adaptive Hybrid: Innovation with Virtual Work.**

**Michael J. Arena,** University of Pennsylvania; **Glenn R. Carroll,** Stanford University; **Charles O'Reilly,** Stanford University; **John Golden,** Amazon Web Services; and **Scott Hines,** Amazon Web Services

The COVID-19 pandemic has led many organizations to embrace virtual work, and some initial data suggests that they have maintained or even increased overall productivity. But these short-term gains may mask a longer-term

threat to the ability of organizations to innovate. Drawing on social network theory, we show how each of the three stages of innovation (idea generation, idea incubation, and scaling) can be undermined by virtual work. We propose an alternative organizational design that will allow leaders to overcome these limitations—the Adaptive Hybrid Model. This approach recognizes that the network connections needed for each of the three stages of the innovation process require different types of social capital. The model helps managers to blend virtual and face-to-face work in such a way that virtual work does not result in the loss of these vital connections.

## **Rethinking Employee Experience in the New World of Hybrid Work.**

**Robin Erickson and Amy Lui Abel,** The Conference Board

The world of work after the pandemic will include dramatically more hybrid and remote work than the one before 2020, as well as a still-tight labor market. In competing for workers, companies will have to not only adopt hybrid work models but also, more broadly, rethink the entire experience of their employees. Beginning with culture, the foundation of the employee experience, there are three specific areas in which companies should revise their interactions with both their workers and senior leadership. Companies must work to build trust, communicate clearly, promote inclusion, and amplify their mission. They need to rethink how they understand and promote employee well-being, focusing on flexibility and empathy, monitoring workloads, and giving workers the resources and strategies with which to maximize their health, both mental and physical. Finally, they must support leaders as they adapt to ongoing changes in the workplace. Both empathy and self-awareness are critical traits for leaders

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as they navigate this new landscape, and ones which executive coaches can help them sharpen.

**Performance Reviews are Dead, Long Live Performance Management!** Herman Aguinis, The George Washington University School of Business and **Jing Burgi-Tian**, Dublin City University and The George Washington University School of Business

A growing number of companies are abandoning performance reviews, a movement which reflects deep dissatisfaction, particularly about how performance ratings are used. Indeed, when performance reviews are not well designed and implemented, they actually lower employee motivation, increase turnover, waste resources, and expose companies to litigation. Yet management research shows that companies should not abandon evaluating employee performance. Instead, they should embrace a more useful approach to managing performance, one which serves the purposes of administration, strategy, communication, development, organizational maintenance, and documentation. When used according to best practices, performance management increases employee motivation and engagement, improves competencies, boosts communication and understanding between managers and employees, and informs better administrative and personnel decisions. To be as effective as possible, performance management should be strategic, inclusive, meaningful, fair, and practical.

**Continuous Improvement Revisited: Organizational Design as the Last Step in Gaining the Full Competitive Advantage of *Kaizen*.** Shumpei Iwao, Keio University

Continuous improvement is a process of innovation, not a result. Nonetheless, some scholars persist in equating continuous improvement with incremental innovation. Much previous study has focused on workers and teams at the lower levels of the organizational hierarchy and yet has paid little attention to the effects of continuous improvement outside the production site. The time has come to reconsid-

er this view of continuous improvement. Continuous improvement projects can create chain reactions of problem solving. As such, they sometimes involve divisions of the organization beyond the production site and can spur large scale projects. Such chain reactions can even lead to major and radical innovations. Managers must therefore be prepared to decide how far a chain reaction could go, and how far they want it to go. Using the appropriate organizational structures and designs can help them make these decisions. Firms that choose not to employ a top-down approach to continuous improvement may miss opportunities to drive radical innovation throughout the organization. Continuous improvement therefore comes once again to the forefront of the study and practice of strategic management.

**Project Production Management: The Key to Delivering Large Capital Construction Projects on Time and Under Budget.** Mark L. Spearman, Factory Physics, Inc.; H. James Choo, Project Production Institute; and Todd R. Zabelle, Strategic Project Solutions

Multiple independent surveys have found that most major capital projects costing a billion dollars or more do not meet their financial and scheduling objectives. Cost overruns average around 80 percent and typical schedule delays are twenty months. Many of these failures occur because traditional project management (PM) methods do not take advantage of the repetitive production that is common in large construction projects. Instead, traditional PM creates a detailed schedule for the project and then notes deviations in schedule and budget but does not consider the requirements of the underlying production system needed to create and deliver the project. By the time the PM system discovers the problem, it is often too late for project managers to avoid serious overruns.

Project production management (PPM), in contrast, uses the overall schedule to set the demand for the production system, determining its production rate, inventory requirements, and delivery times. Using principles from operations science, PPM applies “flow”

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principles to manage production and buffer variability. By managing production rates PPM achieves the desired dates because when discrepancies occur, there is still time to act. Real-world use of PPM shows that it can vastly improve the performance of large-scale construction projects.

**A Brief History of the Internet and the World Wide Web.** **Subodha Kumar**, Fox School of Business, Temple University and **Georgia Perakis**, Sloan School of Management, Massachusetts Institute of Technology

The Internet and the World Wide Web (www or W3) are classic examples of products developed through a sustained collaboration between industry, academia, and government. The first critical invention was ARPANET, a network of computers developed for the Advanced Research Projects Agency. It used packet switching technology, developed by Leonard Kleinrock and rooted in a theory of James Jackson. Every development that followed was essentially an innovation rather than an invention. On October 29, 1969, ARPANET's developers sent the first computer to computer message using packet switching. Robert Kahn and Vint Cerf developed the internetwork Transmission Control Protocol (TCP) and Internet Protocol (IP), which established the open architecture of the Internet. The commercial success of the Internet is in part a product of its strict adherence to the TCP/IP protocols. While working at CERN (the European Organization for Nuclear Research), Tim Berners-Lee first thought of developing W3 as an easy-to-use global information sharing system. The first website went live in August 1991. Nearly three decades later, it

is difficult to envision our world without the Internet and the Web. Together, they enable technologies that, if properly applied, could solve the world's most pressing problems, eliminating poverty, preventing disasters, and ensuring everyone access to drinkable water, education, and health care.

**The Internet at 50: Pioneers, Engineers, and Influencers on Its Past and Future.** **Charles J. Corbett**, Anderson School of Management, UCLA; **Uday S. Karmarkar**, Anderson School of Management, UCLA; and **Christopher S. Tang**, Anderson School of Management, UCLA

Half a century has passed since a group of UCLA engineers sent a digital message to some colleagues at the Stanford Research Institute (now SRI International). Their achievement drew little attention at the time, but it is now recognized as the birth of the Internet. On the 50th anniversary of that seminal event, October 29, 2019, one of those pioneers, Leonard Kleinrock invited a diverse group of engineers, investors, and influencers to UCLA for a one-day colloquium on the many unexpected ways, both positive and negative, in which the Internet has evolved. What began as an informal and almost playful communication network had succumbed to commercialization and global use, unleashing previously unimaginable potential, but also developing a dark side of extraordinary depth. The speakers that day ranged from engineers and scientists who had been there at the beginning to YouTube influencers who had not been born until the Internet was already twenty-five years old. Together they painted a picture, sometimes bleak and sometimes hopeful, but always thought-provoking.