

FEATURES

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80 The Surprising Economics of a "People Business"

Felix Barber and Rainer Strack

When people are your most important resource, relying on capital-oriented management practices can be dangerously bad for business.

92 Competent Jerks, Lovable Fools, and the Formation of Social Networks

Tiziana Casciaro and Miguel Sousa Lobo

Which colleague would people in your organization be quicker to work with—the competent one who's a pain to be around or the delightful one who doesn't know much? The answer may surprise you. The implications may surprise you even more.

100 The Coming Commoditization of Processes

Thomas H. Davenport

Despite the much-ballyhooed increase in outsourcing, most companies are in do-it-yourself mode for the bulk of their processes. That's changing. A broad set of process standards will soon make it easy to determine whether you can improve a business capability by outsourcing it—and with those standards will come commoditization on a massive scale.

112 Developing First-Level Leaders

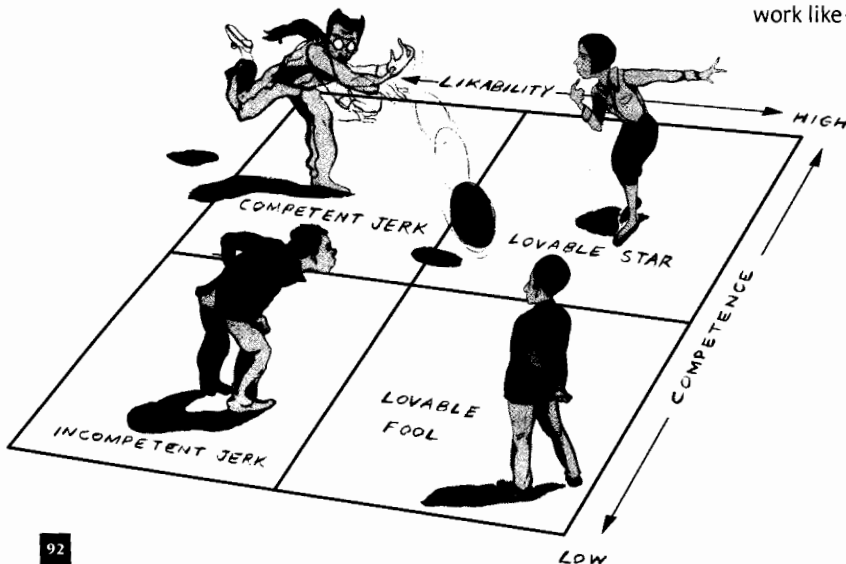
Andreas Priestland and Robert Hanig

BP's 10,000 or so frontline supervisors—the backbone of the business—were feeling neglected and disconnected from the organization; they said so in employee surveys. The oil and energy giant reached out to these managers and created a training program to foster their commitment.

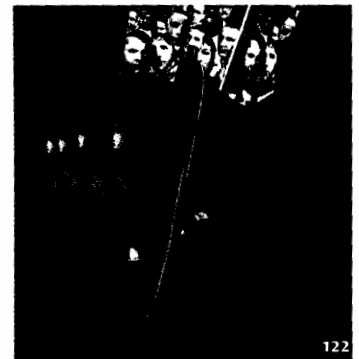
122 Every Employee an Owner. Really.

Corey Rosen, John Case, and Martin Staubus

Give company stock to a broad base of employees, and chances are they'll reward you by cranking up performance. But create a true culture of ownership, and they'll work like—well, like owners.



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10 FROM THE EDITOR

Asking the Right Questions

As CEO, you have an array of management levers at your disposal—return on assets, EVA, and the like. But not all of them will help you drive your company forward. The trick is knowing which ones matter and which don't given the economics of your particular business.

18 FORETHOUGHT

The eureka myth is dangerously seductive...To make postmerger integration go smoothly, outsource the details... Can the ad jingle be reimagined for a new age?...There's a right way to buy shareholder votes...The many, when informed, make better decisions than the individual...A new approach to evaluating frontline workers' interactions with customers...Most managers depend too much on their sight when they interview job candidates...Corporate social responsibility doesn't pay...Marketers don't need better measuring tools—they need better strategies...Workplace incivility erodes motivation and productivity...Getting cleaner energy from coal.

35 HBR CASE STUDY

Holding Fast

John T. Gourville

A new technology threatens to disrupt Crescordia's business, but it's still a long way from being good enough for mainstream customers. Should the company, whose brand stands for quality, stay on the sidelines? Commentary by Robert A. Lutz, Clayton M. Christensen, Jason Wittes, and Nick Galakatos.



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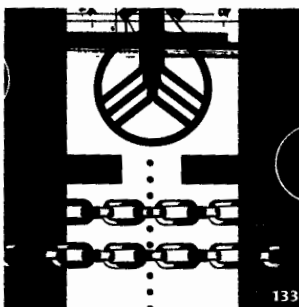
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Risk and Reward in World Markets

HBR Spotlight

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51 Managing Risk in an Unstable World

Ian Bremmer

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63 Strategies That Fit Emerging Markets

Tarun Khanna, Krishna G. Palepu, and Jayant Sinha

Many businesses struggle in emerging markets because they base their decisions on the wrong information and frameworks. Only by understanding institutional variations between countries—and strategizing accordingly—can companies make the most of going global.

110 STRATEGIC HUMOR

133 BEST PRACTICE Your Alliances Are Too Stable

David Ernst and James Bamford

Companies routinely fail to correct their ventures' performance problems, to address exposure to risk, or even to expand successful alliances. Their partnerships are too rigid and, as a result, underperform. Here's how to change that.

142 LETTERS TO THE EDITOR

Six Sigma and other process systems weren't designed for mindless application—but they make it easy for managers to substitute routine for thinking.

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152 PANEL DISCUSSION Imperfect Storms

Don Moyer

There are no bad ideas in brainstorming. But any idea can get big and impractical fast if it's not reined in.