

VIDEO COHESION CASE -- PART II

PROCTER & GAMBLE (B)

1. *What implications do you think P&G's eight guiding principles have for the work attitudes and work behaviors of the employees?*

Procter & Gamble's eight guiding principles are:

"We show respect for all individuals.

"The interests of the company and the individual are inseparable.

"We are strategically focused in our work.

"Innovation is the cornerstone of our success.

"We are externally focused.

"We value personal mastery.

"We seek to be the best.

"Mutual interdependency is a way of life."

These principles are likely to be manifested in work attitudes that reflect a high level of commitment and loyalty to other employees and to the company, express an appreciation for and commitment to high performance standards, value new ideas, and demonstrate a high level of satisfaction. In terms of work behavior, the employees would likely strive to develop and grow in their jobs, seek to achieve excellence in performing their jobs, and engage in actions that enable them to achieve their own goals while working toward realizing the company's goals.

2. *Procter & Gamble says it has a culture that values diversity. Do you think P&G values diversity as much as it says it does? Explain your answer.*

Several features suggest that Procter & Gamble does, indeed, value diversity. First, the guiding principle of showing respect for all individuals indicates a strong commitment to diversity. Second, P&G perceives diversity to be "a rich source of competitive advantage" and an asset that "provides a broader, richer, more fertile environment for creative thinking and innovation." Third, P&G indicates that it tries to attract and fully develop an increasingly diverse talent pool to supply its future leadership. Fourth, the Advancement of Women Task Force has helped Procter & Gamble focus on and take corrective action regarding various diversity problems. Fifth, the proportion of women and minorities in positions at and above the Director level has tripled since 1997. In addition, four women and several minorities currently sit on the company's executive committee.

3. *How might the stretch, innovation, and speed objectives of the **Organization 2005** initiative affect*

or be affected by the challenges of globalization, diversity, technology, and ethics? Explain your answer.

The three objectives—stretch, innovation, and speed—can be described as follows:

- The stretch objective involves trying for the highest possible performance on all of the company's opportunities.
- The innovation objective refers to identifying the toughest product performance standards in the world and then meeting or exceeding those standards throughout the world.
- The speed objective involves getting P&G's products into the global marketplace faster than any competitor anywhere.

All three objectives both affect and are affected by globalization. Collectively, the three objectives are aimed at improving P&G's position in every consumer products market in which it competes throughout the world. Other companies will challenge P&G, both domestically and overseas. P&G also must respond to the different needs and preferences of local markets if it is to be successful in meeting these competitive challenges.

The stretch, innovation, and speed objectives impose a single set of expectations and standards throughout the world. These standards are not altered to accommodate diversity in any way. In other words, these objectives provide a consistent set of standards and expectations that can help bind P&G's diverse workforce together.

Technology will be crucial for achieving all three objectives. Indeed, without technology, Procter & Gamble's capacity to achieve these objectives would be limited. Likewise, these three objectives provide an added stimulus for technological development within the company.

Taken separately, the three objectives could lead to some ethical compromises. For example, P&G could get products to the global marketplace faster than competitors if it compromised on its performance standards. Doing so, however, would be less than ethical because the interests of customers would be compromised, and ultimately so would the stakeholder interests of shareholders and employees. When taken together, the three objectives provide mutual reinforcement for ethical behavior. The opportunity for and likelihood of ethical compromise is lessened by P&G simultaneously seeking the highest possible performance, setting the toughest product standards, and seeking to get products to the global marketplace faster than competitors.

4. *Given its corporate values, emphasis on diversity, and commitment to excellence, would you like to work for Procter & Gamble? Why or why not?*

In discussing this question, the students should consider the following elements in making an

evaluation of whether they would like to work for Procter and Gamble:

- P&G's core values of leadership, ownership, integrity, a passion for winning, and trust;
- P&G's eight guiding principles;
- P&G's stated beliefs and overt actions regarding diversity; and
- P&G's stretch, innovation, and speed objectives.

P&G's core values describe the fundamental nature of the company's culture. P&G's eight guiding principles further amplify the nature of the company's culture. The students should consider the implications of each of these core values and guiding principles for their own work behavior, if they were P&G employees. Would they be comfortable working in that type of environment?

Procter & Gamble says that it embraces and values diversity but until recently women have not made significant inroads into the managerial ranks. However, those inroads have been substantial in recent years. From 1997 to 2001, for instance, the number of minorities and women at the Director level and above tripled. While men still dominate the upper echelon of management, women and minorities are becoming more prevalent among these ranks as well. The students should consider how their own views on gender and minority equity (or equality) might fit with the reality of Procter & Gamble's workplace.

Finally, the students should examine the implications of the stretch, innovation, and speed objectives for P&G's employees. How would the students react to working in an environment where these three objectives drive all organizational activities?