

## Case Study

### Chapter 6 : Process Motivation Theories

#### *'Nokia's Jorma Ollila Wants to Unwire the World'*

Even as dozens of other high-tech industry executives are obsessed with wiring the planet, Jorma Ollila, chairman and CEO of Finland's Nokia Corporation, is equally intent on bringing people, words, data and the Internet together, anytime anywhere, without wires. Ollila, *Industry Week's* CEO of the Year in 2000, calls it creating the Mobile Information Society. 'What the Mobile Information Society really achieves for us is that it helps us to increase our quality of life by making the most of our limited supply of time. It helps boost our efficiency. It allows us to do more, to achieve more, it empowers us to make more of ourselves,' he says. 'If that seems unabashedly ambitious for a former Citigroup banker, so be it.'

Indeed, promoting a culture of risk-taking has been one of the major themes of Ollila's twelve years as chief executive of Nokia, the world's largest mobile phone manufacturer. 'If you want to reach a certain goal, you have to allow for mistakes and learn from them. If you don't fail throughout your career at certain points, then you haven't stretched yourself properly. A challenge that is met too easily can hardly be called a challenge.' Therefore, at Nokia there is a palpable culture of tolerating mistakes and encouraging people to learn and develop. 'Every single appointment is a signal that this is the kind of thing we are encouraging—this is the kind of personality, behaviour and experience that we want to bring into this team', Ollila asserts.

For many years, Ollila has been playing a financially winning game but in 2000, however, Nokia picked up some financial static. For example, Nokia's share price fell about 25 per cent. And recently, in a cover story, Britain's *The Economist* magazine asserted that 'the sheer smartness of Mr. Ollila and his close-knit team of fellow Finns is now being tested more profoundly than at any time during the nineties'. Among the challenges: intense Japanese competition. Ollila remains calm, however, as if some extra pressure makes him even more determined to attain his goal of an 'unwired world'. 'The stock market is what it is. You live with that', says Ollila. 'You just do the best you can on a daily basis, the right balance of short-term and long-term actions. That's the only attitude you can take to avoid losing sleep unnecessarily. It's no use bothering over things you have very little direct influence on anyway. You have to keep going.'

As for market competition, Ollila concedes nothing. 'I don't think there is any other company that is better placed than we are to tackle the next paradigm of software-intensive applications and services', he asserts. 'I don't think the Far Eastern companies have an edge. We do. We understand user needs, and we have the drive to do it.'

Since 1992, Nokia has had 15 significant market firsts. Characteristically, when Nokia announces a new model, the collective pronoun 'we' is used. All over Nokia, many people, including Ollila, talk of teams. 'Ollila has that ability to create teams around himself, where they discuss and brainstorm, and sort of converge to a certain view',

notes Göran Lindahl, co-chairman of Nanomix and former president and CEO of ABB Ltd. 'But then', he says, identifying a critically important aspect of Ollila's management approach, 'he takes responsibility and says: "Oh . . . I see . . . Fine . . . Now we do this." He apparently has a great talent for staying calm and motivating himself and his employees to go a step further each day: 'That's where we are, that's where we want to be, so let's do it!'

Ollila believes that people at Nokia are empowered, able to speak their minds to him and everyone else in the company. 'That's extremely positive for the innovation of individuals and the organisation', he says. 'But we are, at the same time, a very pragmatic organisation', he stresses. 'We don't analyse problems to death. We're pretty determined about timelines [deadlines] and getting things done. Somebody has to take the responsibility and say, "OK, this is it. That's what we're going to do." Otherwise you just have a lot of fun discussing things and nobody takes the ball and carries it. It's all very well passing it around in a circle. But somebody, at the right point in time, has to grab it and run. You can not keep a team motivated unless they know where they're going.'

One of Ollila's accomplishments at Nokia has been to make it possible for many people to grab opportunities and run with them. 'This is an organisation where, if you want to prove yourself, if you want to develop yourself and grow towards your goals, we will give you the platform,' Ollila says. 'This is what we want to do—to create a platform that is attractive to young people, that is a little bit special in terms of a working environment. Getting results is always part of it. But providing the platform is fundamental.'

## Questions

1. Striving towards one's goals is an essential part of Jorma Ollila's philosophy. Do you think professionals can actually serve as a motivational example by setting challenging goals for themselves and beaming out a 'can do' mentality?
2. To what extent are Nokia's practices consistent with the motivating theories discussed in this book?
3. What work outcomes are most relevant to you (Table 6-1) and do you recognise them at Nokia?

Source: J S McClenahan, 'CEO of the Year: Nokia's Jorma Ollila Wants to Unwire the World', *Industry Week*, November 20, 2000.

