THE FAILURE ISSUE

Contents

Cover Artist
Eile Honeln

Failure
UNDERSTAND LEARN RECOVER PAGE 47

FAILURE CHRONICLES 56 DOUG RAUCH of Trader Joe’s on micromanaging 66 LINDA ROTTENBERG of Endeavor on killing projects 75 ANTHONY TJAN of Cue Ball on casualties of irrational exuberance 84 ROGER MCNAMEE of Elevation Partners on losing a chance to change the world 98 WAYNE PACELLE of the Humane Society on downer cows 107 PETER GUBER of Mandalay Entertainment on learning from Muhammad Ali 115 WHITNEY JOHNSON of Rose Park Advisors on investing wisely in other people’s dreams

HBR.ORG
The special issue continues online with blog posts and classic articles. hbr.org/failure
FAILURE
UNDERSTAND IT
Strategies for Learning from Failure
If organizations are to benefit from failure, employees must feel safe admitting or reporting on it.
Amy C. Edmondson

Ethical Breakdowns
Cognitive biases can blind executives to their own or their employees' unethical behavior. Here's why, and what to do about it. Max H. Bazerman and Ann E. Tenbrunsel

Why Leaders Don't Learn From Success
When things are going well, we tend not to ask why. As a result, we never really know whether we did something right—or we just got lucky. Francesca Gino and Gary P. Pisano

FAILURE
LEARN FROM IT
Failing by Design
A certain amount of failure, managed well, can be useful. How to set up intelligent trials and learn from inevitable errors Rita Gunther McGrath

"I Think of My Failures As a Gift"
P&G's former CEO talks about the profitable lessons that emerged from some of his company's big mistakes. An interview with A.G. Lafley by Karen Dillon

How to Avoid Catastrophe
Near misses are harbingers of impending disaster—but too often managers are blind to these warning signs. Catherine H. Tinsley, Robin L. Dillon, and Peter M. Madsen

FAILURE
RECOVER FROM IT
Building Resilience
An army program designed to teach soldiers how to move beyond trauma and into growth offers useful lessons for business. Martin E.P. Seligman

THE GLOBE
How China Reset Its Global Acquisition Agenda
After stumbling badly in their first global takeovers, Chinese companies are taking a much smarter tack. Peter J. Williamson and Anand P. Raman
Departments April 2011

21 Idea Watch

21 FIRST
Why Most Product Launches Fail
Five things that cause new products to tank, and how to avoid them PLUS Handling opportunistic customer service claims, and the overoptimism of serial entrepreneurs

28 DEFEND YOUR RESEARCH
Hurt Feelings? You Could Take a Pain Reliever...
Acetaminophen's surprising effect on feelings of rejection, and what it reveals about the importance of social inclusion

30 VISION STATEMENT
When Failure Looks Like Success
Efforts to bring clean water to Bangladesh—with mixed results

32 STRATEGIC HUMOR

COLUMNS
34 Rosabeth Moss Kanter
On bouncing back from the low points

36 Daniel Isenberg
Encouraging entrepreneurship should not mean embracing failure.

39 HOW I DID IT
Blockbuster's Former CEO On Sparring with an Activist Shareholder
Boardroom fights over strategy and compensation derailed the CEO's efforts to keep Blockbuster growing despite technological threats. John Antioco

“Plenty of people were betting against us.” page 39

Experience

117 MANAGING YOURSELF
Can You Handle Failure?
Strategies for helping yourself—and others—respond appropriately when things go wrong
Ben Dattner and Robert Hogan

124 CRUCIBLE
The Would-Be Pioneer Linda Myers had spent years advising expats, but nothing prepared her to be a female American executive at a Korean company. Sarah Green

127 CASE STUDY
A Rush to Failure? When her big space station project suffers a breakdown at a critical moment, a manager has to decide if the push for speed is to blame. Tom Cross

134 SYNTHESIS Reviews

137 EXECUTIVE SUMMARIES

140 LIFE'S WORK
Ricky Gervais The comedian talks about success—and failure.