

# Danone case study

Education



Organizational culture is formed by how the information is flowing around the company. Some organizations prefer top-down approach in which information sharing is usually limited to the key personnel. In contrast, some organizations prefer bottom-up approach in which information is usually shared among the firm and management makes decision based on feedbacks. In the case of Danone, the company formed a culture of networking in order to encourage more information sharing among employees. Danone has been a success in the consumer goods sector due to its innovative culture, and it also enjoys climbing revenues in the recent years.

Knowledge management challenges faced by Danone There were two challenges faced by Danone. First, sharing was not a natural thing among employees especially when there were no personal connections. Danone's employees prefer sharing information by talking to each other than sharing information on computers. Second, some managers were not comfortable to let their teams to discuss matters, because managers worried that their positions being challenged if teams are able to solve problems by themselves. However, management believes that these solutions from teams are useful within the firm.

Therefore, the Networking Attitude was launched to encourage employees to develop personal connections and to help managers to work in networks in order to overcome Danone's knowledge management challenges. The Networking Attitude initiative The Networking Attitude has been an excellent facilitator to encourage Danone employees to network with each other. The goal of Danone is to utilize a game like structure to allow employees to form

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a special bond with each other. Organizing the marketplace activity, the company set up a fun, relax and informal atmosphere to allow employees to connect with each other and exchange ideas.

Dressing in costumes also helps to lower people's barrier to make connections. However, the problem of the Networking Attitude is that there could be lack of motivation from employees to network. If employees' objectives are not aligned, there is little reason for employees to make connections with each other. Also, employees are not rewarded based on their performance in this initiative. Many employees may not have incentives to do more outside of their routine works while no personal goal can be achieved. In my opinion, Danone can utilize more on this networking platform to align with employee's personal goals.

For example, Danone can encourage employee to network across divisions, so the network can help them to change jobs across departments. Danone should go deeper (more employees) on knowledge sharing Danone's culture is to encourage more information flows, and more employees should be involved in knowledge sharing. By encouraging employees to share, it can increase employee's morale, and both top management and low level employees are able to understand more on the company as a whole. By allowing more employees to participate, it will increase employees' sense of belonging.

Employees will also be more open to bring up innovative ideas which will also benefit the company. In contrast, if Danone wants to go wider (outside the company), the company is running a risk by leaking out insider

information to help its competitors. The bottom up approach organizational culture of Danone is one of the main reasons that make the company competitive in its sector. Without these three main components: flat hierarchy structure, encouraging information sharing, and reacting fast to the markets; Danone would be in a different position today.