

Novo Nordisk

Denmark, pharmaceuticals

When companies start to talk about social responsibility being an integral part of their business operations, many financial analysts turn the page, dismissing such statements as public relations window dressing. Novo Nordisk, though, walks the walk. The Danish pharmaceuticals company measures itself on three criteria: environmental, social, and economic. A few other companies in the U.S., Canada, and Europe have produced social reports along with financial ones, but the annual environmental and social report of the Novo Group is the gold standard. It details emissions of carbon dioxide, sulphur dioxide, and nitrous dioxide; consumption of water and energy; amount of recycled waste; and frequency of injuries on the job, as well as many other facets of the company's environmental and social practices.

Given this focus on ethical values, it's not surprising that Novo Nordisk's stated corporate vision stresses the desire "to find the right balance between compassion and competitiveness, the short and the long term." The company offers employees a smorgasbord of amenities, including an all-purpose fitness center, an on-site child-care facility, and more than 100 low-cost vacation homes throughout Europe, including flats in Paris, Rome, and Barcelona.

In the global pharmaceuticals industry, Novo Nordisk does not bulk large--Merck and Pfizer are each 15 times bigger. But it has carved out profitable little niches, netting euro 414 million (\$368 million) on euro 2.8 billion (\$2.5 billion) in sales in 2000. It makes blood-clotting agents for hemophiliacs and hormones for conditions such as osteoporosis, but its core product is insulin, often essential in treating diabetes. The company was founded in 1923 to make insulin, and it now supplies half the insulin in the world. It dominates this market in Europe, just as Eli Lilly does in the U.S. Headquartered in a Copenhagen suburb, Novo Nordisk has 16,000 employees; 10,000 of them are in Denmark, 3,000 elsewhere in Europe, and the rest in the U.S. and Japan. In late 2000, Novo bucked the industry trend and de-merged, selling off its industrial-enzyme business, Novozymes, to focus more explicitly on drugs. (Though publicly traded, the majority of voting shares of both entities is controlled by a nonprofit foundation.)

To make sure that everyone understands Novo Nordisk's goals, employees have been gathered in small groups to hear diabetics talk about how the disease has affected their lives--and how Novo's products help. By all accounts, these gatherings have had a profound impact on everyone involved. Rikke Nedergaard-Bischoff, a clinical-development scientist, says the meeting she attended was "very, very inspiring," adding that a number of employees were moved to tears.

Many of Novo's large R&D staff previously worked either in academia or for government health agencies. Nedergaard-Bischoff, who worked for both the Danish and the British public health service, says that Novo upholds the standards expected of public institutions without the stifling bureaucracy: "I don't have to go to my manager to get permission for everything. There's a great deal of empowerment at Novo Nordisk."

That includes being empowered to argue. Lars Christian Lassen, who heads a clinical-positioning unit, explains that people are encouraged to "fight back" if they disagree with a proposed policy or decision. He describes Novo as having a "debating and arguing culture." But it's like "any good family. People can argue internally, but externally we show extreme loyalty to the company once decisions are made. Grumbling after the fact, or saying 'I was just following orders,' isn't tolerated here."

The "family" feeling goes beyond special events like the annual company party held during the summer (last year Novo rented the national stadium; the year before, Tivoli Gardens in downtown Copenhagen). Says Nils Hatt, a manager in operational communications: "I feel like I belong to a family. Everybody is willing to help you out when you have a problem."

Novo Nordisk's humanistic culture didn't happen by accident. Senior management believes in creating explicit systems. Or, as Kare Schultz, the chief of staff and quality, explains: "You can't just depend on the goodwill of everybody." The company has a full-time team of "facilitators" who spend a week with each department in the company, then file a report spelling out how the unit can live up to Novo's ideals.

ST Microelectronics

Switzerland, semiconductors

Welcome to lunch at the Agrate campus of ST Microelectronics, outside Milan. Hundreds of employees sit at long tables after carrying their trays through a cafeteria line offering a wide array of dishes, including pastas, rice, nine different hams, five fish and meat courses, and a dozen cheeses. (There's a separate line for organically grown food.) Cashiers take employee cards instead of cash and automatically deduct the price of lunch--the equivalent of five cents.

The lunchroom has a buzz similar to that of a Silicon Valley high-tech company. The average age of employees is 35. They're excited to be working at a company that ranks as one of the top players in the semiconductor industry. ST's chips are inside Nokia wireless phones, Hewlett-Packard printers, and Bosch's automotive components.

Headquartered in Geneva, ST emerged in 1987 from state-owned entities in France and Italy. It has been publicly traded since 1994, with 45% of its stock equally divided between the two governments. At the helm is chief executive Pasquale Pistorio, 66, who returned to his native Italy in 1981 after working as a top executive at Motorola in the U.S. Today Pistorio presides over a multinational enterprise with 40,000 employees in 27 countries. Nearly half of them work in France and Italy, and about 12% work at the Agrate complex, which serves as a manufacturing site as well as a research and development facility. Bruno Murari, director of R&D at Agrate, emphasizes how important it is to protect talent. He notes that during last year's downturn, ST did everything it could to avoid large-scale layoffs, including executive pay cuts, attrition, and incentive severance packages. He also stresses that the company did not cut back on investment in research, which runs to 16% of the company's \$6 billion in annual revenue.

Employees noted that ST does not pay at the top of the market. The starting salary for blue-collar workers is about \$13,000 a year; for engineers, \$15,400. No doubt workers would prefer to be paid more, but several said that they had turned down offers of higher pay at other companies because of the "challenging," "friendly," and "stimulating" environment at ST.

Maurizzo Peri, a design director who has been with ST for 16 years, notes that the Italian language has two forms of "you"--tu, used with family and friends, and lei, used in more formal settings. When he joined the company, "the big boss told me that everyone here uses tu." That's not the practice in most Italian companies. Employees also appreciate the opportunity to learn new skills, receiving an average of 58 hours of training a year.

Everyone at Agrate seems to be aware of the competitive race the company is in. In 1995, ST ranked 14th worldwide among chipmakers; by 2000, it had moved up to sixth place; and it is expected to soon move into third place, behind Intel and Toshiba. Says Jean-Phillippe Dauvin, group vice president for education and knowledge at Agrate: "Our fathers were European fishermen and farmers, and we want to demonstrate that we can be world leaders."

Skandia

Sweden, insurance

Getting any company to change is not easy. Getting an old company to change is even more difficult. And getting an old insurance company to change--well, good luck! But Sweden's Skandia has done just that. Founded in 1855 as Sweden's first stock insurance company, Skandia has long enjoyed a national reputation as a caring company, one where generation after generation of families would work and where, as one employee put it, "they served you a proper lunch."

Skandia underwent a transformation during the 1990s, sloughing off what was once its biggest business, property and casualty insurance, and reducing its number of employees by a third. Today Skandia markets life insurance products, notably variable annuities, and offers a broad range of mutual funds. The geography of its business has also changed. Though it is still based in Sweden, only a third of its 7,600 employees work there--and up to 90% of its business is outside the country.

But the big change has come in people development. Skandia has embraced the concept of intellectual capital as the key to business success. It has devised ways to measure this fuzzy concept, developing a tool called Navigator to survey employees with a view toward aligning their personal and corporate goals. As the company puts it in one of the many documents that explain this theory: "That's why we hire for attitude and train for skills. Or hire the best people and leave them alone."

Brave words, but do they mean anything? The proof is in the attitudes of employees. Marketing manager Bo Agren, who has been with Skandia for 13 years, confirms the flexibility. "If my kids are sick," he says, "it's okay for me to stay at home. I don't have to hide it and sneak out of the office." Jan Wangard, CEO of Skandia's Netline unit, has left the company twice and returned. He praises Skandia for accepting "you as you are." Celia Kragsterman, 40, who joined the company after college and is now CEO of Skandialink, which sells variable annuities, describes it as a "very human" place, where you are given a lot of freedom. "I would have trouble where you have a boss telling you what to do."

That thought is echoed by Gunilla Stridbeck, a facilitator for the Skandia Future Center, a retreat and conference center about 30 miles north of Stockholm, where participants are exposed to the ideas of "knowledge management." Stridbeck's job title: Knowledge Gardener.

One doesn't need to be based in Stockholm to have global responsibilities at Skandia (the company operates in 24 countries). Jennifer Rhule, a human-resources director, is a British woman based in London. She has been responsible for the introduction of a new employee-driven survey at Skandia units around the world.

One of the architects of people development at Skandia is Ola Remsted, head of human resources. He recalls that in the mid-1990s Skandia was in a financial crisis, battered by hostile takeover attempts. It was then, he says, that the company embarked on its drive to "let people take on responsibility, decide what to do for themselves" rather than be told what to do. "We have many new ideas coming from our employees because they feel they have control. The old command-and-control relationship can never be put in again."

That may be tested sooner than he likes. Many of the savings products offered by Skandia are linked to the stock market, which did poorly last year. In the first nine months of 2001, Skandia's revenues fell 34%, with the biggest hits coming from the U.S. and Britain, driving down the company's share price by 70%. Early in January, Skandia announced it was selling its asset management business to Norway's Den Norske Bank.

Morgan Stanley

Britain, investment banking

Big investment banks all do big deals for big clients, but they are not all the same. Sometimes even offices within the same firm are different. By general consensus in the investment banking community, there is something special about Morgan Stanley's London office. It has become the anchor of a supremely successful European business. In 2001, Morgan Stanley ranked second in issuance of international bonds and second in mergers and acquisitions, advising on four of the top ten European deals. It was first in IPOs, underwriting the five biggest European tech offerings. Oh, and it issued the biggest corporate global bond offering anywhere, ever (\$16.4 billion for France Telecom).

It's exciting to be a part of this kind of success--and we sensed that excitement in talking to more than a dozen employees. They were not boastful so much as proud. Morgan Stanley's work force in London, which features people of 91 nationalities speaking 67 different languages, has doubled in the past three years, to 4,800. The firm occupies two buildings in the Canary Wharf complex in east London and has committed to taking space in two other buildings going up there. Morgan's ascendancy is symbolic of a sea change in European finance. In the early 1980s the top investment banks in London were British owned; these have all been absorbed by German, Swiss, Dutch, and American banking houses. Sitting at the top is Morgan Stanley, which built its business from scratch.

The Morgan Stanley crew is young--most are under 35--and well paid (professionals start at \$45,000 a year). They are pampered with perks: two restaurants, two health clubs, a medical clinic, a hairdresser, a dry cleaner, subsidized parking, and a backup child-care center. All that is nice, but what keeps them here is a team culture, a sense that this is a meritocracy, not a place where you get ahead because of your family or school background. That's quite a contrast to the fusty, inbred culture of the old merchant banks in the City.

"We hire nice people," is a refrain we heard frequently. The company hires talent rather than skills, so many of the people come here with no background in the business. They get a chance to learn, and they are encouraged to own their career.

Rob Souter, executive director of information technology, came to Morgan 14 years ago. When he arrived, there were 30 people in the IT department; today there are 1,000. In his first five years at Morgan, Souter worked daily from 7 a.m. to 10 p.m. and loved every minute of it. Now that he has a family, he's out of the door by 6 p.m.

Stephan Newhouse, an American who was sent to London early last year to be chairman of Morgan Stanley International, acknowledges that it's a workaholic culture--"We hire overachievers"--and that 12-hour days are not uncommon. But some initiatives are helping people balance work and family. New mothers can take up to 40 weeks of job-protected leave, and they receive full pay for 18 weeks. One new mother, Monica Gaffney, executive director of equity infrastructure, says she leaves at 5:30 p.m. because she wants to see her son. She emphasizes that flexibility is something each employee can take advantage of: "Nobody is watching over me."

Sharon Reynolds, who works in investment banking, has been with Morgan only ten months. She liked her previous jobs at Deutsche Bank and UBS Warburg, but says of Morgan, "This is the icing on the cake." Reynolds also gives the firm high marks for listening and not sweeping things under the rug, citing a recent initiative to solicit and implement employee suggestions.

ING Group

The Netherlands, financial services

Here's the company to work for if you care about architecture. Some 2,500 employees occupy ING's head office in Amsterdam, but they would never confuse this with working in a typical commercial high-rise. The S-shaped building is composed of ten towers, ranging in height from three to six stories; the walkways that connect them are lined with more than \$1 million in original art. But what sets this complex apart is the lack of rectangular or square-shaped rooms. Everything is arranged so that no one sits more than 18 feet from a window. The exterior walls are slanted to conserve energy, and the solar collectors on top of the buildings ensure that the towers are energy self-sufficient. Opened 15 years ago, the bank's headquarters still attract more than 75,000 tourists a year.

As remarkable as this complex is, it is not unique. ING's facilities in Rotterdam, Prague, and Budapest are all architectural winners. ING is in the midst of building a new corporate headquarters; in the past decade, the work force has more than doubled, to 100,000 (of whom fewer than a third are based in the Netherlands). The new building, which has an unusual shape, is scheduled to open later this year. It looks to some like a boat, to others like a train--and still to others like a shoe. Regardless of what people think they see, the building is striking and promises to wow air travelers landing at Amsterdam's nearby international airport.

Why does the company lavish so much time--and money--on its buildings? "It's simple," says ING Chairman Ewald Kist. "We don't produce cars, airplanes, or boats, just paperwork. We need to show our employees and our clients that we have a human face. We have to show the outside world that we're not dull."

Working inside these buildings has not been dull, certainly not for those who've been around for the past decade. The ING Group was formed in 1991 when Nationale-Nederlanden, the largest Dutch insurance company, merged with NMB Postbank, the third-largest Dutch bank. After that, ING scooped up companies all over the world. It now serves more than 50 million clients under 50 brand names, including ING Barings, Bank Brussels Lambert, BHF-Bank, ING Aetna Financial Services, and ING Equitable Life. With its three basic businesses--banking, insurance, and asset management--it ranks among the world's top 20 financial services firms.

Herman Geuze, who joined the firm on the banking side before the merger, insists that ING has maintained "a small-company feeling" despite its rapid growth. Now the head of investor relations, Geuze says ING's culture has always insisted on "smooth relationships" among employees.

Others agree that ING places the highest value on harmony, a priority that they feel keeps the company human despite its size. Valerie Brown, chief of staff for the Americas and Asia-Pacific regions, has a distinct perspective on ING's culture. An American, Brown came to ING after stints with PepsiCo, Bain, and Chevron. She says that ING's culture is built on "respect for the individual--people are not just fungible assets here." As a result, she says, ING is not as "combative or internally competitive" as her previous places of employment, at which "a kind of star mentality dominated everything." Brown traces ING's emphasis on relationships and consensus style to the firm's "Dutch roots, where people don't believe in sticking your head above the dike."

Hans Zuidema offers a different perspective. As chairman of ING's Central Works Council, he gives the company high marks for working cooperatively with the employees' association on a variety of workplace issues, from child care to training to implementing new software technologies.

Beata Drobinska joined ING's startup operation in Poland and now works out of the Amsterdam headquarters. She appreciates that the company provides so many opportunities for career movement. Because moving among different departments and to different locations is encouraged here, she and others see ING's size as an advantage. Drobinska also says that the company feels more like "a family" than a typical corporate bureaucracy. Part of the reason for that is the way the managers make a lot of "small gestures" to keep the place human, like the fact that Chairman Kist finds time to deliver chocolate eggs to all employees at headquarters during the Easter season. "It's a small thing," Drobinska says, "but you remember it."

Porsche

Germany, automobiles

Christian Will, an engineer at Porsche's main plant near Stuttgart, says he has a "dream job." Why? "Because every child dreams of driving a Porsche at least once in his life, and here I am where dozens of them are made every day."

Will's kid-in-a-candy-store attitude is not unusual here. Almost every employee we met in Stuttgart was a genuine sports-car enthusiast. No, that's not quite right: Every employee is a Porsche enthusiast. This aspect of Porsche's work force is so well established that the company bragged in a recent annual report about its ability to attract "the best specialists," because "among all German companies ... Porsche is the only one that can offer them what we call 'Porsche fascination.' "

It's easy to be fascinated with Porsche, the smallest of Germany's six major automakers. Take the assembly line in Stuttgart, which cranks out some 145 cars a day. This is no grim industrial setting where workers are all but tethered to their machines. For starters, each car on the line is different. A \$40,000 Boxster convertible may precede a \$150,000-plus GT2 Carrera with a V-10 engine capable of speeds of more than 200 mph, followed by any one of Porsche's eight other basic models. Each car is customized. Customers have more than a billion possible combinations, when you consider all the options for interiors, seats, dashboards, engine types, body styles, etc. That's in addition to color. Porsche will paint the car any color the customer desires, such as the red shade one Texan wanted that matched his wife's favorite lipstick. The worker who paints the last three layers scratches his or her name into a space behind the right taillight.

The signed paint job exemplifies the pride in craftsmanship that pervades this plant. Ten-member self-directed teams are responsible for specific parts of the line and determine such matters as their daily work assignments. As a result, workers rarely do the same job twice in the same week. On the line where engines are made, one mechanic builds each engine. That is, a mechanic walks with the engine to each station to add various parts. (It takes about 90 minutes to build a Porsche engine.) In short, this is a factory where workers are in charge.

Porsche workers also have job security. They are all guaranteed jobs through 2005. Indeed, Porsche has been hiring; it has grown from fewer than 7,000 workers in the mid-1990s to about 10,000 today, and more are expected to be added when the new Leipzig plant comes online to produce the Cayenne, an SUV. Last year each Porsche employee received a bonus of about \$2,000 as the company reported that, with a pretax net return on sales of 11.9%, it was "the world's most profitable automaker."

Porsche workers appreciated the bonuses, but they are even more passionate about their distinctive culture. Several professional employees said Porsche was notably less hierarchical and formal than other German firms. "They do not delineate functions," says Heinz Winkler, a designer. "Things are not just black and white here. There are many shades of gray." As a result, Winkler finds "no barriers between the salaried employees and labor and management. If you have something to do or have a proposal, you can always talk to people in the levels above you."

Porsche's informal environment extends to the issue of advancement. Says Brigit Strobel, a process planner who has worked on a variety of projects in her seven years with the company: "It has been my experience that you can reach practically anything that you are determined to achieve here. There is a culture among management at Porsche that they want to promote and develop young people."

One event all the workers we interviewed look forward to is the annual company picnic, called *Hochetse*, a word in the Swabian dialect that refers to an outdoor gathering. While other German companies also have an annual get-together, it is unusual to have a companywide event; it is even more unusual for spouses, children, and friends to be invited. More than 15,000 attended last year's *Hochetse*, complete with food, clowns, games for children, and booths with food specialties from other countries. The employees talked about how such an event was typical of the "Porsche family," an expression that came up again and again as a way to describe the atmosphere here.

L'Oreal

France, cosmetics

To catch the flavor of L'Oreal, come to its elegant ten-story headquarters in the Paris suburb of Clichy in the morning--say between 8:30 and 9:30--and head for the Panoramic Coffee Bar on the ground floor. There you will see, on any day of the week, one of the most stylishly dressed work forces in the world. They are hanging out, having their espressos, and talking animatedly about the work at hand. These are people with a passion for beauty products.

L'Oreal participates in every segment of the cosmetics market under 12 global brand names sold in more than 150 countries. Its annual revenues of more than \$10 billion make it bigger than Revlon or Estee Lauder or Shiseido. The coffee bar conversation is mostly in French, but it could easily be in English, Italian, German, or a number of other languages. The international character of the company was cited as an advantage over and over again in conversations we had with managers and lower-level employees. That's a dimension of L'Oreal's character that extends right to the top: The head of this French company is a Welshman. Lindsay Owens-Jones, 55, has been chairman since 1988, presiding over a period of spectacular growth that has seen the acquisition of half a dozen American brands, including Matrix, Redken, Carson/Soft Sheen, Ralph Lauren, and Helena Rubenstein.

There are 45 nationalities represented in the L'Oreal work force, with 36,000 of its 48,000 employees working outside of France. Of 400 top managers, 40 are Spaniards, 70 are Italian, 40 German, and 35 British. Women do well here. Worldwide, 49% of managers are female. One, Beatrice Dautresme, who heads up strategic business development, holds a seat on the company's executive management committee.

L'Oreal employees thrive on the freedom and autonomy that are hallmarks of the company's culture. Managers are given responsibility early in their careers. Cyril Chapuy, a 32-year-old Frenchman who oversees marketing of the Garnier brand, was in charge of a team of 30 when he was 27. At L'Oreal, he says, "you have the right to be wrong--as long, of course, as it is not ten times in a row." Youcef Nabi, an Algerian-born Frenchman who is another international marketing director, bubbles with enthusiasm for the working atmosphere. He says he has learned "new ways of looking at life" from his colleagues, adding that "here you have the right to be different." Alexandre Pagliano, a 36-year-old Brazilian who is a director in finance and accounting and who worked for five companies before joining L'Oreal, had this observation: "There's a lot less politics internally than I have ever seen. Maybe it's due to the fact that innovation happens here at such a fast pace that we don't have the time for politics. This means I can concentrate on my work."

Fringe benefits at headquarters include a bank, a travel agency, a medical clinic, free parking (and car-wash service), and a cafeteria where an employee can dine well for less than \$3. On top of the government-mandated leave of 4 1/2 months' pay for new mothers, L'Oreal adds another month of its own, to be taken anytime over two years. Of L'Oreal's 8,000 managers, 2,000 are now eligible for stock options. Not surprisingly, turnover is low; the average tenure of employees is 14 years. Explains Francois Vachey, L'Oreal's vice president for human relations: "Loyalty to the company is very important to us. People come, they join, and they stay."

L'Oreal's special relationship with employees extends to the factory level. Those who work at a factory in Aulnay-sous-Bois have an open view of the sky because the outside walls and ceiling are all glass. There is no assembly line--instead there are separate workstations. Martin Rhein, a 32-year-old German manager, says he makes a point of shaking hands with every member of his team every day. He also says that when new equipment is needed, the factory workers have the final say as to which brands will be ordered.

Nokia

Finland, telecommunications

It's always nice to be with No. 1, but would you go all the way to Finland to enjoy that distinction? Hundreds have. Of the 24,000 employees Nokia has in its home country, 1,300 are foreign nationals. We conducted two group interviews at Nokia House, the company's spectacular, glass-enclosed, wood-planked headquarters outside Helsinki, where there were people from South Africa, India, Australia, China, and Britain. The lure, of course, is not just being with a world leader. Nokia does attract people because of its success--it fields 1,000 job applications a week on the Internet--but the magnet that keeps them here is a way of working. Just as Hewlett-Packard has its famous "HP way," Nokia has the "Nokia way," a mission statement that stresses openness, integrity, teamwork, humility, and accountability. Ji Yanyan, a young Chinese development manager who got her MBA at the University of Texas in San Antonio, says employees rotate jobs every two years: "You always have to update your business card." Adds Joe Barrett, a native of Britain and a market relations manager at Nokia Networks: "You join Nokia, and no one will give you a very accurate job description. You don't know who your boss is. So you live in this state of confusion--it never goes away. You have to adapt to it."

Kati Vikki, head of process management, says employees are not judged by titles at Nokia. What "drives people is to excel in the eyes of your peers." And Lea Myyrylainen, manager of mobile Internet interfaces, says that unlike at other companies, where advancement is typically a case of moving up the ladder, Nokia even has something that could be considered the reverse. She explains: "A high vice president moves to another function to expand his knowledge and skills. We call this 'downing the ladder.' You go below."

The telecom sector was hammered in 2001, and Nokia felt the pain, laying off 1,000 workers and seeing its stock price fall by 41%. But that was a better performance than those turned in by its chief rivals, and there is no question that Nokia products are still in hot demand: Sales neared a record \$30 billion. Employees are adamant that there is no crisis atmosphere. "People are not worried," says Jaana Saarenpaa, a program manager. "They have a lot of confidence in the company." Myyrylainen says the reaction to the tough economic times was very Finnish: "We're going to show them. We are not afraid. We are going to push more."

It's difficult to exaggerate the importance of Nokia to its home country. Nokia accounts for 25% of Finland's exports and 50% of the trading on the Helsinki stock exchange. Finland leads the world in the percentage of the population using cell phones, a tribute to the company that is the world leader in mobile-phone sales, accounting for one-third of the total market, three times that of its nearest competitor, Motorola.

The entry-level salary at Nokia is \$2,000 a month, supplemented by performance bonuses. About half the staff is eligible for stock options. A Finnish daily newspaper, Helsingin Sanomat, publishes a list of every Finn who earns more than one million finnmars a year (\$200,000). In 2000, all but one of the top 50 earners worked for Nokia.

There are plenty of on-site benefits, including a sauna (this is Finland, after all), a 24-hour gym, a cafeteria where you can eat well for less than \$5, and a medical facility. Every Nokia office is staffed with a physician, and if you need a specialist, a prompt referral is made. Cost to the employee: zero.

Workplace flexibility is also prized. Lynn Rutter, director of communications for the human-resources department, can often be found in Nokia House, but she lives in Scotland. Nokia's design director Frank Nuovo works out of Los Angeles.

For the 1,800 people who work at headquarters, there's the pleasure of working in a wonderful building designed by Finnish architect Pekka Helin and interior designer Iris Ulin. Constructed between 1995 and 1997, it sits on the Gulf of Finland, and its ground-to-roof glass panels offer views of the sea and the sky wherever you sit. The imperative for the architects was to create a space that would promote internal communication and teamwork.

During the winter months the gulf freezes, making ice skating and ice fishing possible. "Everybody thought I was mad to move here," says Mandis Nioko, a South African who was determined to work at headquarters. Sometimes, she says, when a team has a late session, they gorge themselves on sausages and head straight for the sauna. Welcome to Finland--and Nokia.

San Raffaele

Italy, biomedical research

A year ago, Clelia Di Serio turned down an offer of a research position at the Johns Hopkins University School of Medicine. The staff at Hopkins was surprised, Di Serio says. They couldn't understand why this rising young star in the hot field of biostatistics would prefer working in Milan. Italy, one Hopkins researcher said, was "a good place for vacations and food" but not for serious work. Di Serio begged to differ. In fact, like many others at San Raffaele's biomedical research facility and medical university in Milan, she had previously worked in the U.S. But she has found that San Raffaele offers the best of both worlds, or, in her words, "American efficiency and excellence, but with Italian style."

In the past decade, San Raffaele has become one of Europe's leading biomedical research centers. Its 300 staffers published more than 6,000 papers in scientific journals last year alone. Within Italy, San Raffaele's 1,500-bed hospital, in a green residential neighborhood across the street from the research center, is known as one of the nation's best. It's where Italian Prime Minister Silvio Berlusconi went for prostate-cancer treatment several years ago.

Today some 3,500 people work at San Raffaele's medical complex. When asked to explain what makes San Raffaele so successful, employees point to their president, a charismatic 81-year-old former parish priest named Luigi Maria Verze. Thirty-five years ago Verze founded the nonprofit foundation that runs San Raffaele on such principles as "Jesus lives in each patient" and "Every patient is first and foremost a human being." To him that meant the hospital should provide the best facilities and equipment possible. He insisted that hospital rooms should have no more than three beds, with air conditioning and phones. Such amenities were unheard of then; even today, hospital rooms of eight to 20 beds are common.

To fulfill his vision, Verze realized he could not rely on the bureaucratic Italian medical establishment. So he went outside it in order to build his own medical university and research center--with the goal of attracting and training the best medical personnel in the country. One such doctor, Carlo Pappone, has developed a procedure for treating a heart condition called atrial fibrillation with microwaves--an operation that requires only 90 minutes, instead of full-blown open-heart surgery, which requires up to ten hours. The foundation borrows money from private banks, and pays them back with reimbursements for patient care that it gets from the Italian state health-care system.

Our tour through the facility revealed state-of-the-art pieces of medical equipment, such as a gamma-ray "knife" for treating tumors. Hospital employees insist that these high-tech devices are only the tip of the iceberg of what makes San Raffaele special. Citing the extensive training opportunities available to staff, cardiac nurse Isabella Pirota says, "This organization not only works for the patient's well-being, but also for the well-being of those who work here." Orazio Leopardi, a nurse in the intensive-care unit, says the biggest difference between San Raffaele and other Italian hospitals is the "availability of materials and tools so that you can really spend your time helping patients instead of arguing with the administration." Because of an incentive system tied to productivity and the quality of patient care, nurses are typically paid about \$1,200 a month, some 20% more than other Italian hospital workers receive, even though they are covered by the same national union contract.

How does San Raffaele provide outstanding equipment and facilities and pay above the odds? From the beginning, Verze has preached efficiency. Fifteen years ago he brought the first IBM 9000 mainframe to an Italian hospital to control costs. And he has reduced the layers of bureaucracy endemic to Italian health care. So, although San Raffaele is reimbursed for more than 95% of its patients under the same terms offered to other hospitals by Italy's state-funded health-care system, it can put more of that money toward patient care and employee salaries. It's a model that other hospitals--and not just in Italy--might consider copying.

Pret A Manger

Britain, food service

Take hundreds of the high-energy twentysomethings who descend on Britain every year to learn English. Add them to a rapidly growing fast-food company that makes all its sandwiches fresh daily and donates the leftovers to charity. Mix in two weeks of training annually and weekly beer bashes. And voila, you've got Pret A Manger, a London-based chain of more than 100 sandwich shops--and one of Europe's most pumped-up work forces.

Pret has become a hit. Buckingham Palace is said to order more than \$1,500 worth of sandwiches a week, and Prime Minister Tony Blair has had Pret deliver lunches to Downing Street. Though its name is French for "ready to eat," Pret A Manger had shops only in Britain until 2000, when it opened its first of four stores in New York. This month it is scheduled to take its successful recipe to Hong Kong.

McDonald's was so impressed that last year the ultimate fast-food chain bought a third of the company, which will help Pret take its sandwich philosophy global.

We met with two groups of "team members" at Pret's headquarters in a nondescript office building near London's Victoria Station, a few blocks from where the first shop opened its doors 15 years ago. Jenny Di Nuneio works at a Pret shop on Tottenham Court Road. She recalls her first day on the job, when she walked into a store at 6:30 in the morning with pop music blaring in the background as the crew was busily making the day's sandwiches. One of her co-workers told her that the unofficial slogan of the company was "Let's have fun and get the work done." And, she says, "that's the way it's been for the 3 1/2 years I've been here." She especially appreciates the chain's commitment to quality--from its use of fresh ingredients (no preservatives or additives) to its shiny aluminum decor. "Everything has to be on-the-spot perfect," she says.

Pret's high standards are maintained by a cheerfully mixed work force. Fewer than a third of Pret employees are British, with Spanish, Italian, Swedish, and French being the other most common nationalities. The resulting concoction is what CEO Andrew Rolfe, a South African, calls a "uniquely European culture." At 35, Rolfe is one of Pret's older employees. Only 8% of the staff is over 35; some 38% are younger than 25. When he was brought on board to run the firm in 1998, Rolfe had to go through the same regimen as every other new hire: two weeks in a shop making sandwiches and serving coffee. The top brass also spend one day every three months working in a shop. Executives mingle with the troops at the subsidized Friday night parties held at a local pub, to which all London team members are invited. The company lays out some \$400,000 for its summer and Christmas bashes. To further assure that the top leadership keeps in touch, all team members are given the mobile-phone numbers for Rolfe, as well as for chairman and co-founder Julian Metcalfe. Metcalfe once received a call from a team member who'd been arrested and needed bail.

Nurit Raich is a professional chef who works in the corporate kitchen preparing recipes for new sandwiches. She contrasts working with Pret and working with her previous employers, including a large supermarket chain, "where there were a lot of rules." At her other jobs, she says, "you may try to do your best, but the company was only interested in what gave the basic results. That really annoyed me. When you work at Pret, everybody tries so hard to do their best, looking for perfection, and that's exactly what is expected. So everybody goes the extra mile." Darren Sayer, who works in the Holborn shop, agrees: "It's fun to work here. You're free to use your own ideas so long as it makes logical business sense."