

# Star wars and a star company: putting strategy into action requires investing in people

**Time to revisit basic values that we often fail to practice. What does it take to build a winning company culture? Love.**



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By [Jeffrey Pfeffer](#)

I once joined 130 leaders from the Andean region of Kimberly-Clark on a management team gathering in Lima, Peru. We were taken to the archeological city of Cusco and the Inca ruins of Machu Picchu, one of the great wonders of the world. We were treated to four fun-filled days of singing, celebration, recognition and lots of hugging. The highlight was the closing dinner, for which everyone came dressed as Star Wars characters. There was something special about what this company was doing, and proof to me that the force was indeed with Sergio Nacach, the dynamic head of the region.

We hear talk these days about trade-offs and compromises, about “making do.” Yet here is one group of executives who are clearly committed to doing well by their employees, their customers, the communities in which they live — as well as their shareholders.

In a business world characterized by market-like, short-term relationships, this group has built a different level of connection and engagement among its people, resulting in Kimberly-Clark’s Andean unit being ranked one of the best places to work in Latin America. For a maker of Kleenex, they have a business philosophy that’s certainly nothing to sneeze at.

The Andean region of Kimberly-Clark encompasses five countries — Bolivia, Colombia, Ecuador, Peru and Venezuela. Despite being relatively poor and small, in 2008 this region

accounted for more than 40% of the net increase in operating income for the entire corporation. Not bad for a region where diapers are sold in single units because people can't afford to buy in bulk.

The secret of their success is not so secret. Their management practices are neither novel nor complicated. There's no fabulous new technology or arcane business strategy. Simply good management based on humanistic values — basic values we all know, yet frequently fail to practice.

Most companies do not fully appreciate the talents of their people, and therefore don't perform at the level they are capable of. "Investing in people" may be cliché, but in the hands of Nacach and his team, they make it work the way it was intended: by genuinely investing in their people, they create a reciprocal obligation for those people to invest their energy and commitment back into the company.

Nacach starts by building a strong, winning culture marked by informality and egalitarianism. No uniforms, no different cars for people of different ranks, an open-door policy, music in the offices. Everyone has the opportunity to move into new roles and assume new responsibilities for different products in different countries. Each person knows what is expected of him or her and can tell you exactly how his or her region is doing. People know their jobs better, the company better and their role in its overall success better.

Communication is constant: There are videos, periodicals, murals, even bulletin boards in the restrooms. This gives people the information required to come up with innovative ways of doing things. By letting people make decisions, the company taps into the talents and energy of its people in a substantive way and can be more responsive to immediate business conditions. The visible role of women in upper management is evidence that everyone has an equal shot and that everyone's opinion does matter.

So why don't more companies figure this out? I asked Sergio Nacach what it takes to build a winning culture and to manage in this fashion. His reply included one telling word: "Love."

Okay, some of you may be feeling a bit nervous right now. Executives generally like to keep their social distance. Showing vulnerability runs the risk that someone might embarrass or take advantage of you.

One of the most fundamental decisions companies make — after they have decided to have employees at all — is the nature of the relationship they will forge with their people. Most often those relationships are based on economic exchange — money for hours and effort. But

as the Beatles famously sang, “money can’t buy me love” — or loyalty and commitment. People who come for money leave for a higher offer. And you can’t buy discretionary effort, since by definition such effort can’t be specified in advance.

No, if you want to produce the sort of results you see in Kimberly-Clark’s Andean operation, you’ll need to transact deeper connections of trust with your employees, which are forged on an emotional level. Without such a climate of trust and psychological safety, it’s unlikely your people will ever create the kind of environment necessary to build their collective legacy.

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*We republish this column on the 20th anniversary of the popular IESE program that Jeffrey Pfeffer taught on since 2006. The program was recently relaunched as [Strategy in Action: Leadership & Execution](#).*

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