

**Essay #3**

**Max De Pree  
Herman Miller, Inc.**

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Who plants a vineyard without eating any of its fruit?  
Who tends a flock without getting some of the milk?

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It was written for our sake,  
because the plowman should plow in hope  
and thresher thresh in hope of a share in the crop."

(1 Corinthians 9:7-10)

The words from the First letter of Paul to Corinthians express the essence of the moral beliefs and management style of Max De Pree, now retired CEO of the office furniture company Herman Miller, Inc. It sounds so improbable that the management style of Max De Pree – based on deep moral convictions of uniqueness of every human being and respect of inalienable rights usually associated only with people as citizens – could successfully lead *Fortune 500* company for over 15 years. However, in 2000 Herman Miller, Inc is happy to report that sales reached nearly \$2 billion and that in 2004 the company was "for the 16th time in 18 years, ranked as the 'Most Admired' company in the furniture industry in *Fortune* magazine's annual survey that measures the reputation of America's corporations. The magazine also ranks Herman Miller among the most innovative companies in *any* industry, placing the firm 4th overall among the nearly 600 companies surveyed" (Herman Miller, 2005).

In the year 1923, father of Max, D.J. De Pree, purchased a small furniture company and name it Herman Miller after his father-in-law. From the beginning, the company vision was to be at the leading edge in furniture design, in spite the fact that company headquarters are in Zeeland, Michigan. Early on, D.J. De Pree adopted a business philosophy which proved the key to the success - "abandon himself to the wild ideas of others" (De Pree, 1990, xxi). He trusted the designers that they know what are they doing and promised them that the integrity of their ideas will not be "tinkered" by managers, production personnel or anybody else. This proved

immensely profitable not only on the market level – furniture produced by Herman Miller is exhibited in the New York's MOMA as well as the Louvre's Musee des Artes Decoratifs (O'Tool, 1995) as respected pieces of decorative art. This trust in the people and their creativity become one of the unique hallmarks of management style of the De Pree family.

Max De Pre believes that every organization, business as well as social, has the need for stories. Stories represent the values of the organization, teach newcomers the company visions and are an important part in developing organizational self-esteem. One of most poignant stories of Herman Miller is the story of the millwright that died on his job in 1927. D.J. Pree visited the family where he was read the poetry authored by the millwright. Newer before realizing that he have so talented a poet as company millwright, that episode made him to reflect on the unrealized talents and potentials of every individual (De Pree, 1990). Max De Pree carried that idea of human potential further, building on the foundations of "human relations" management of McGregor and Drucker, practicing participative management where the manager is first among equals, where everybody ha a say and agrees on the goal of the company (De Pree, 1997).

In all his books, which read like "Zen of management" rather than usual management manuals, Max De Pree explains that the true leader (manager) is there to enable his followers to reach their full potential, that he is their "servant" not the master. In his book *Leadership is an Art*, De Pree summarizes the qualities of the future leader. It is important that leader:

- has consistent and dependable integrity
- cherishes heterogeneity and diversity
- searches out competence
- is open to contrary opinion

- communicates easily at all levels
- understands the concept of equity and consistently advocates it
- leads through serving
- is vulnerable to the skills and talents of others
- is intimate with the organization and its work
- is able to see the broad picture (beyond his own area of focus)
- is a spokesperson and diplomat
- can be a tribal storyteller (an important way of transmitting our corporate culture), and
- tells *why* rather than *how* (De Pree, 1990, p.131).

The integrity of the leader is that on which everything else is built. Such leadership is a moral activity, not a pragmatic exercise. Employees are not the means to an end, and their rights as human beings are absolute and do not "all depend" on current market circumstances as formulated in the contingency theory of management. Followers need to trust their leader that he will not abandon them at the first opportunity, that he will act consistently and rationally and that he does not ask them more than he asks from himself (O'Toole, 1995; De Pree, 1990).

With the concept of leading through serving, De Pree approaches management of the company, profit or non-profit equally, as a human association, a group of equals that agreed to work together toward the common goal (De Pree, 1997). Seeing people as inseparable unity of citizens and employees, he thinks of managers as "public servants." That idea fundamentally changes the role of the supervisor in the industry i.e., the role of the company management. For De Pree the ideal company would be where "people are so familiar with what needs to be done and why it needs to be done, that how it gets done is not a problem." (Ager, 1986)

From a managerial philosophy of trust and integrity, it comes naturally to understand that every employee should have a share in the company profit - owners know the best! And as everything else with Max De Pree and Herman Miller, that is not just a word construct created for building the "company morale." In 1950s Herman Millers adopted the Scanlon Plan – a program of participative management and gain sharing – and in 1983 they become an ESOP company with a stock-ownership plan for every employee who works for company for longer than a year. The company also tied top CEO salaries to the average one in the company so the ratio could not be bigger then 1:20. The rational was that company works as the organization – jazz orchestra is expression used by De Pree – so if company performs well at the bottom line it is not only due the CEO effort, but because of every and each individual that helped to "plant the vineyard." (Herman Miller, 2005; De Pree, 1990)

De Pree sees the living environment and the workspace as one and the same; the people and their companies are part of integrated whole – family, state, nature, the world. Herman Miller as the company is not only the leader in the furniture industry – they are also leader in the movement of socially responsibly companies. The idea is that people do not abandon their concerns for their living environment at the company doors, and that as good guardians of their resources they care about the sustainability of their resources. The way it works in Herman Miller, the environmentally responsible behavior is not only the moral decision it is also based on financial calculation – the company headquarters is powered by the company waste. The belief in "good goods" (the company motto in furniture design) is not limited only to the production line, it is applied in the way they do everything – from workspace design to the architecture and landscape design of company buildings. Everybody in the process – customers, as well as producers – have

a right to work in space they will feel good and which will "liberate [them] to do what is required of them in the most effective and humane way possible." (O'Tool, 1995)

The American Declaration of the Independence written in 1776 states: "We hold this truths to be self evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness." (Heffner, 1991, p. 15). Today, freedom, democracy, and personal fulfillment are hailed as fundamental to being human. However, no matter how "self-evident" that it may be in political sphere, on the level of business organization this is still hotly contested idea. In business it is not at all "self-evident" that all man are created equal, that they are unique human beings with free will and ability to behave responsibly if given opportunity to do so. Somehow, citizens are deemed politically perfectly capable to decide to whom will delegate the right to decide to drop the atomic bomb on some faraway island, but the same citizens are presumed completely untrustworthy with the decisions that would directly affect their own lives. If they were the leaders of the states, managers like Jack Welch and Al Dunlap would be seen as cruel and autocratic oppressors, however as the CEO of the companies they are hailed as the ultimate ideal of American managers – they make people perform by any means necessary (O'Tool, 1995).

In this world of political freedom and economic inequality, Max De Pree and his management style is often perceived as a moralistic utopia which could not survive on the open market. However, although Max De Pree retired in 1995 and company rules forbid family members from working in the company, Herman Miller Inc. is still workers owned, socially responsible, and a *Fortune 500* company.

## References

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