

What
America

Does
Right

Volume 1
Management Turned Upside Down

Action Guide Preview

What America Does Right

Volume 1, Management Turned Upside Down

Action Guide

Welcome to the Action Guide for *What America Does Right, Volume 1, Management Turned Upside Down*. This Action Guide is designed to supplement the video and provide you with more information on the concepts presented in the program.

In this volume, you will see how two companies – Sun Microsystems and Raychem – and one non-profit organization – The Career Action Center – are meeting the challenges of a rapidly changing work environment. The companies profiled in this program are changing the way they interact with their employees and, in the process, changing the way their companies are run. They have realized that many of the old ways of managing people are no longer effective.

The American economy has never been in better shape. Recent research on industrialized nations shows conclusively that American workers out-produce workers in Germany and France by about 20%, workers in Britain by over 30%, and Japanese workers by over 60%. Surprised? You heard it right. America still leads, and today, no country is closing the gap. But, if we have been doing so well, then why do we have so little confidence in the economy and in future job prospects? Much of the reason is tied to the ways in which we organize our work. In essence, the historic concept of lifetime employment is no longer workable in the new economy. What some of the organizational pioneers in the field have come to realize is that they need to create a new way to work. This new approach to work should provide more flexibility in an organizations' workforce.

In order to understand the new changes that are effecting us, it is valuable to examine the past. Many of our ideas about how to manage people date back to the first industrial revolution. These management ideas are derived from three major thinkers:

Adam Smith. In the later half of the 18th Century, Adam Smith wrote *The Wealth of Nations*. The management and economic theories espoused in this book became one of the guiding doctrines for the industrial revolution that was to sweep across Europe and America. In addition to his economic theories, Adam Smith was the first person to describe the concept of work specialization - a concept that would lead to modern manufacturing systems. In *The Wealth of Nations*, Adam Smith used the simple example of a pin factory to describe specialization of work. In this pin factory, each worker is trained in making one part of a pin. What Adam Smith was really describing was an assembly line, a method of manufacturing that would become the cornerstone of the Industrial Revolution.

Adam Smith's predictions proved to be accurate – he foresaw the way in which most of the products in the world are manufactured. The concept of specialization of work is now a standard in businesses worldwide – a standard being challenged today.

Max Weber. Max Weber, the German sociologist and economist, proposed that a bureaucracy was a better way to operate an organization, than the patronage system of the 19th Century. Weber's proposals proved to be correct for his time period. Weber thought that a bureaucracy was a better system, because it gave rules and stability to an organization based on the specialization of work. Weber's theories have been the cornerstone of organizational thinking in both businesses and government ever since. Bureaucracies, however, do not perform well in our modern economy. In addition to adding rigidity to organizations, they move too slowly to adjust to our rapidly changing work environment.

Frederick Taylor. Through his time and motion studies, Frederick Taylor proposed that the factory worker of the early 20th Century needed to be closely monitored and managed. He theorized that workers were not well educated and were incapable of understanding management decisions. Therefore, they had to be very carefully managed. This was accomplished by observing and measuring every aspect of their job performance. The result was a management approach that resisted any form of empowerment. It also led to the current practice of promoting workers every couple of years to reward them for good performance. In this way, the company would take care of their workers and the managers would tell them what to do.

EVERYTHING HAS CHANGED

Today, businesses and organizations need to do things differently – they need to respond to changes that are coming faster and faster. Workers today are better educated than ever. They want, and are ready to handle, levels of autonomy to make their own decisions. Most importantly, organizations need to be much more flexible, leaner and more responsive to the customer and to the changing market realities.

In this video and in the following volume, *Organization is Strategic*, you will see how organizations have changed. More importantly, you will gain unique new insights into the way in which you can reshape *your* company to meet the challenges of the next century.

Trainer's Notes

This is your guide to use with the video, *What America Does Right*, a documentary of three organizations, Sun Microsystems, The Career Action Center and Raychem. The lessons from these case studies are drawn by watching these organizations in action and comparing them to your own organization. This workbook and trainer's notes should provide you with additional ideas for creating an educational experience that will focus on the key management issues of *What America Does Right*. Each section of the video is paralleled in the workbook and includes a recap of the key learning points, additional information on key concepts presented and suggested questions for discussion.

Audiences

The accessibility and importance of the message in *What America Does Right* makes this program useful in many different organizational settings and situations. The organizations profiled in this program represent the cutting edge in certain modes of management thinking and will provide your audience with a wealth of great ideas for coping with new management challenges. Audiences who will find the video particularly useful include:

Senior Management: The innovative concept of career resilience, presented in *What America Does Right*, is becoming one of the key strategies that companies are implementing to manage change. Senior management needs to understand and integrate career resilience in order to manage critical emerging issues such as cross-functional teams, horizontal management, flexible workforces and reengineering.

Mid-Level Managers and Front-Line Supervisors: Again, managers at all levels need to have a solid understanding of career resilience in order to apply the concept to both their own career development and that of their employees.

Organization-Wide Training: It is important for each and every employee to develop their skill base and prepare for the future. Employees need to align their needs with those of the company and the industry. Moreover, they need to be aware of the way that the current work environment has profoundly affected the way companies are planning for change.

Students of Organizational Change: The issues raised in *What America Does Right* are integral to understanding the changes affecting most organizations during this decade. These case studies and expert discussions will provide you with insights into these strategies.

Public Sector Managers and Employees: The public sector is facing one of the most significant periods of change in decades – changes that will affect each and every employee. It is vital, particularly for public sector employees, to keep up with these changes by learning and implementing new skills.

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How to Use *What America Does Right*

This video and print package includes a number of elements to help you meet your training goals. The concepts presented in this program will represent a paradigm shift for many employees. For example, the concept of career resilience will most likely lead to discussion and debate regarding changes in your organization.

The following is a list of action steps you can take in planning and conducting a course using *What America Does Right*. You may want to modify these items to accommodate time constraints, intended audience needs and training goals.

Advance Preparations

There is a great deal of information presented in the video through the case studies and in Bob Waterman's discussion at the end of the program. View the program in advance of the training session at least once. You may want to obtain a copy of Bob Waterman's book called *What America Does Right* to further expand your understanding of the cases.

Arrange to have a VHS videocassette player and a monitor available for this training session. If you have more than 20 people attending, be sure to order at least a 25-inch monitor. Remember to encourage participation. The change issues presented here can trigger strong feelings and concerns as well as good ideas. Getting everyone involved will help build consensus on the issues and ownership of the solution.

- Obtain one guide (and possibly a copy of Bob Waterman's book) for each participant.
- Test your equipment in advance and adjust color, sound, etc.
- Bring writing materials for each participant.

Sample Training Session

Pre-screening Preparation. Welcome people to the training session and give them an overview of the program. You may want to address the concepts presented in this program in the context of your own organizational goals.

Screening. Show *What America Does Right*. You can watch the program in its entirety or have a discussion following each of the segments.

Post Screening Discussion. Use the following themes from the program as a catalyst for discussion.

- Managing Change is a regular part of life.
- Employees need to pioneer new ways of working and become self-reliant.
- Career Resilience is becoming the way that people keep pace with change
- A career resilient workforce will have the flexibility to move with the rapid changes in today's business environment.

Second Screening. You may find it valuable to rescreen the program after discussion.

Counter Reference

In order to facilitate the training process, you may want to set the counter on your VCR to move it to specific sections of the video. First, make sure your tape is fully rewound and the VCR counter is set to 000. At normal playing speed, or fast forward, run the tape and note the counter reading that corresponds to the beginning of each segment. We suggest that you use the Enterprise Media logo as the starting point.

000 Enterprise Media Logo

___ Sun Microsystems - Change. Change is a way of life at Sun as both Sun and the computer industry are changing so quickly.

___ Learning Environment. One important way to manage change is to create a learning environment that helps people collaborate more effectively.

___ Career Services at Sun. Sun has pioneered the concept of developing career services to further assist people in the process of change.

___ Bob Waterman introduces The Career Action Center in Palo Alto. The Career Action Center is a pioneer in the process of helping people remain career resilient. The benefits from this process can help both individuals and organizations.

___ Raychem story about Career Resiliency. Raychem has committed itself to creating a learning environment where its employees can pursue many opportunities within the company.

___ Bob Waterman's conclusion, Part One. Bob discusses the impact of the changing workplace on the individual.

___ Robert Saldich's "maid" story.

___ Bob Waterman's conclusion, Part Two. Bob discusses the effects of the changing workplace on the organization.

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Sun Microsystems

Key Learning Points

- Change is increasingly becoming a reality for everyone. To deal effectively with change, people need to learn how to anticipate and work with change.
- The ways in which people work are changing and, in many cases, the physical workplace needs to change, too.
- The key to managing change is developing a system for employees that allows them to develop new skills, grow and move within the company.

Managing Change.

Sun Microsystems was founded in 1982. Twelve years later, its sales had grown to almost \$5 billion. That kind of growth means change and Sun is a company that epitomizes change. When we were on location at Sun, many of the people we interviewed described a system of constant reorganization with departmental changes happening every couple of months. Employees in this environment must learn to work smarter to weather these changes – they need to develop new skills.

Sun is at the cutting edge of a trend that is sweeping across America. Organizations *are* changing. People are being faced with technological innovation at an unprecedented pace, and the customer is demanding more efficient and responsive products and services. Everyone will need to “dance with change” in the future. Sun is merely leading the pack in its effort to manage change in the hi-tech environment.

Creating a Learning Environment

One way to help manage people through the process of change is to look at the way in which work is done itself. At Sun, this challenge has provided the company with

an opportunity to rethink its approach by creating a new working environment. When Sun was building new office space, it researched how its people worked and came up with some interesting conclusions.

First, Sun realized that people need a work environment that respected the individual - that allowed the individual to work on their own. This was something that Sun had always done well.

Second, the company realized the need to create an environment that would support collaborative work. In a company like Sun, learning is often achieved through collaboration.

Research from Cornell University and other groups indicated that people could interact well, even when physically distant, if a strong social bond existed between them. Sun used this research to create an environment conducive to establishing positive interaction and collaboration.

- They created reading rooms that allow people to leave their office and work in an environment without interruptions.

- They created “sun rooms” – rooms with no clearly defined use. In the sun rooms, people find tables, chairs, couches and cafeteria-like counters as well as music and all kinds of computer and communications hookups. These rooms are intended for small group interactions. (The interviews with Eric Richert, Bonny Mosher and Yuanbi Su were filmed in a Sun Room.)

They created “forums” – rooms for large group interactions. (The interview with John Fetter and an employee party was filmed in a forum room.)

They created spaces adjacent to halls and outside for small groups to come together and collaborate.

They changed the design of the furniture and the layout of the labs to help people create workspaces that were personalized.

The facility itself was modeled after a college campus and is similar to a small European city - a central spine informally connects all of the buildings.

The entire facility was designed to allow people to interact in ways which facilitate teamwork.

The Building of Career Services.

In the early 1990's Sun began a restructuring process that included significantly automating their manufacturing line. As the company initiated that process, they set up a career center to help the displaced employees find jobs, either within the company or outside of Sun. As the process evolved, Sun began to realize that all employees needed support to expand or change jobs as the company grew and changed. Thus began the process of developing extensive career services at Sun.

The assumption that people at Sun have a job for life. just is not valid any longer. Sun is simply changing too quickly. Career services gives people an opportunity to move within the company, build their skills and stay current as Sun changes. Sun is probably ahead of the curve in the process of developing career services because it faces dramatic changes on a constant basis. The Sun example indicates a future trend that every organization will need to learn to manage.

Questions for Discussion

- 1) Change has affected most people in the modern work environment. Use a flip chart to list the changes that have affected you in your job. As you discuss these changes, think about the assumptions that have changed. What have you done to address these changing assumptions as managers?
- 2) The research at Sun indicates that people need both private space and group space to collaborate effectively. Discuss your current work environment. Do you provide people with opportunities to collaborate? Do you provide opportunities for people to work on their own? Discuss what you can do to help stimulate a learning environment for your people.
- 3) Sun Microsystems created its career center initially as an outplacement center because they were automating their manufacturing facilities. What does this say about the company? If your organization is facing downsizing, what are you doing to assist your people in making the transition to a new placement.
- 4) As Sun began to develop its career services, they realized that there were opportunities for people inside Sun to move within the organization. Discuss the benefits that people can gain by using a career center to move within an organization? Why does this help? List five services that you would offer to employees at your career center.
- 5) The first step in career development is self assessment. All of the career centers we profiled use several devices to help in self assessment, including the Meyers Briggs Type Indicators (MBTI) and the Strong Interest Inventory as well as other tools. Discuss how self-assessment can assist people in their efforts to find the ideal position within the organization. What self assessment tools have you used to assist your people in this process.

6) The Career Services at Sun helps people stay current and to move within the company as it changes. The key assumption is that people have to take ownership of their own careers. Discuss how this concept will change the way people think at your organization. How can you assist people as they take ownership of their own careers. What are the challenges ahead for people as they switch to this new way of thinking?

7) The pace of change at Sun is extraordinary and it certainly puts new pressures on both managers and employees. Discuss the challenges that are faced by Sun in this work environment. How many of these pressures do you face in your organization? What can you do to help people manage change?

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The Career Action Center

Summary:

- Keeping up with today's fast-paced business changes is key to successful organizations. Companies need an agile workforce who can "turn on a dime" to meet changing needs and organizational issues.
- Executive management does not have all the answers – it takes the efforts of everyone in the organization.
- Perhaps the new competitive advantage comes from the way that companies organize themselves – the way they train and educate their employees.

The Career Action Center (CAC) is a non-profit company in Palo Alto, California. Originally, the goal of the CAC was to help women enter the workforce. As the Center grew and more women entered the workforce, the company focus changed. Programs designed to ensure lifetime employability for all individuals were developed. This placed the CAC in a perfect position to collaborate with Silicon Valley organizations to build internal career services. The companies in Silicon Valley are constantly challenged to meet the new employment requirements necessitated by rapid changes in technology. These organizations must continually update the skills of their workforce.

The CAC set up collaborative relationships with both Raychem and Sun to help these organizations focus on developing employee skills. The CAC helped both companies establish and staff career centers.

Questions for Discussion

1. If you work for a small organization, what kind of collaborative efforts can you establish with non-profits in your area to assist you in developing career services?
2. In the video, Betsy Collard says “slow today kills an organization.” In addition, career resilience helps companies stay competitive. Discuss the ways in which a resilient workforce can help your organization remain competitive.
3. Employees with multiple skills can take on new responsibilities and respond to changes faster. Discuss how you can build the skills of your employees within your organization.
4. One of the skills taught at the Career Action Center is that of career self-reliance. This training enables you to optimize your skills and maintain a high level of employability. This can be an unpleasant issue to discuss, but times are changing very rapidly. Discuss the skills you think are needed to stay competitive in your work environment. How can you work to fulfill those skills?

Raychem

Summary:

- Learning is key to organizational success.
- With flatter organizational structures, attractive lateral opportunities must be made available.
- People must take responsibility for their own career development.
- People need to mesh their wants and needs with those of the marketplace.

Raychem is a high-technology manufacturing company serving industries ranging from electricity and airplanes to cellular telephones and portable computers. Several years ago, this company began to focus on education - keeping its competitive edge through training its employees.

Learning Organization

Unlike Sun, whose career services began as an outplacement service to help people weather a reorganization, Raychem began its Career Center to help people move within the company and find new opportunities. This process was initiated because Raychem realized the advantage of creating a corporate culture where employees continuously learn. As Bob Saldich, Raychem's President, discusses in the program, Raychem was only "harvesting" its employees - finding good people and utilizing their skills. It wasn't focused on continuing to develop the skills and talents of its employees. Like Sun, Raychem is very aware of the need to help employees remain highly skilled as international competition and face-paced change affect the industry.

Fewer Layers

Raychem set up its career center, in part, as a response to several employee surveys. Most employees were concerned about finding opportunities at Raychem. The Company was growing rapidly and, at the same time, flattening the organizational structure. Opportunities in the traditional sense – moving up the corporate ladder – were becoming more difficult to find. Employees wanted to know what horizontal opportunities were available. This prompted Raychem to set up the Career Center.

Career Services

The Career Center at Raychem provides a number of services to employees. First, it teaches employees how to prepare resumes and interview effectively. At Raychem, moving from one division to another is just like changing companies. The Raychem employees needed to learn how to sell themselves. The Career Center also helped employees develop self-evaluation skills. Using the Myers-Briggs Type Indicator (MBTI), the Strong Interest Inventory test as well as other self assessment tools, Raychem employees learn which positions suit their skills and interests. Raychem also provides an extensive library of resource materials. Videotapes, books and job listings from all over the Bay area are made available to employees to help them understand the markets and the forces influencing the company.

The Insiders Network

One of the most interesting innovations that Raychem has pioneered is its Insiders Network. The Insiders Network provides employees with a database of people at all levels of the company who are willing to provide informational interviews about their jobs and division. Each of the 300 people who are on the Insiders Network decide how many interviews they are willing to provide in a given quarter. This interviewing tool has helped Raychem create strong internal networks and

communication between its divisions. As people move, they accumulate new contacts and resources they can call on to solve problems. In a divisionalized organization with few layers of management, the Insiders Network has proven to be a very valuable tool to Raychem.

Self Reliance

Much of what Raychem has developed provides a variety of unique new opportunities for employees within the company. People in Raychem use these services to benefit themselves. The Career Center aggressively promotes its services, but ultimately, it is the individual's responsibility to put them to use.

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Questions for discussion

- 1) Raychem provides full-scale career services to its employees – an investment that will have long-term benefit to the Company. Discuss what your organization or division can do to start developing or enhancing career services. What steps can you take?
- 2) Raychem and Sun provide confidential career counseling. Not only does this help employees find the right “fit” in the organization, it also builds trust. Do you know what your trust level is? What can you do to build the trust level in your Human Resource function?
- 3) Raychem conducts regular employee surveys to gauge employee concerns. One of the most recent surveys indicated that people wanted to know how to progress in a flatter organization. Do you know what your employee’s concerns are? Have you addressed the issue of providing lateral opportunities in your organization?
- 4) Discuss sending an employee survey. Formulate possible questions and list them on a flip chart. How might you conduct a confidential survey using the questions on the chart?
- 5) As Bob Saldich states, the company can provide many opportunities for its people, but ultimately, it is the responsibility of the employee to take advantage of them. What are you doing to encourage people to keep their skills current? What are you doing to keep your skills current?
- 6) The Insiders Network is a simple and effective way to help people move within the organization. Discuss how you can establish your own Insiders Network. What resources would you need? How would you get started?

7) Raychem provides its employees with resume writing and interviewing seminars as well as other self-development courses. They found that this service helps people remain with the company. However, this service could also help people find employment outside the company. Discuss what concerns you might have if these services were provided in your organization. How could you address these concerns?

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The Maid Story

In the focus groups that viewed this video prior to its final editing, The Maid Story was perceived as both a powerful example of the need for career resilience, as well as a cause for concern. As a result, we have decided to elaborate on the story and to present specific questions for discussion.

During our first interview with Bob Saldich, he told us a story about a woman who had worked for him many years ago and recently came to him for help. Her job, for the past 20 years, had been to manually apply adhesive inside rubber tubing produced by Raychem. This process was never adequately automated. It became clear that the process would have to be exported overseas to allow Raychem to remain competitive. The job was moved outside the U.S., requiring her to learn new skills to continue to work in the increasingly sophisticated manufacturing environment at Raychem in the U.S.

Unfortunately, this woman was unwilling to learn the new skills required even when the company offered training. She was unable to work in the more sophisticated plants that Raychem was operating. As Bob Saldich said, "she had become obsolete."

The company found her a job as a maid in the local community rather than just dismissing her after 20 years of dedicated service.

Questions for Discussion

1. Discuss Bob Saldich's actions in relation to the story. What lessons can managers learn from his actions? What does Bob Saldich's actions say about him as a manager?
2. As Bob Waterman says, the traditional relationship between employee and employer has changed. Discuss these changes in light of this story and the other stories profiled in this program. What can a manager do to help people in this kind of situation? More importantly, what can a manager do to avoid this kind of situation in the first place?
3. People are often challenged by new technology as this woman was. What can the company do, and what can managers do, to encourage people who are reluctant to learn new systems?
4. What can you do to keep learning and developing new skills? How can you avoid becoming obsolete?
5. As a manager, what can you do to encourage employees to continue learning and developing skills?

What can Organizations and Individuals DO?

The examples of Sun Microsystems and Raychem point out current trends in the workplace. These trends will continue to develop and individuals and organizations will need to adapt to meet these changes. In his conclusion, Bob Waterman points out some of the key issues:

Assumptions by individuals must change significantly.

- People must assume responsibility for career change and development. Everyone needs to look at the future. Individuals need to ask where the new opportunities are and what moves will be best for them.
- Individuals need to keep learning. The work environment is changing at an unprecedented pace and everyone needs to continually build skills. In this case, learning takes on a number of components:
 - Self assessment. People need to learn about themselves. They need to be aware of their skills. More importantly, they need to understand their natural motivators - what excites them in a job. With this understanding, they can find jobs that will be fun for them.
 - Learn about the industry. Change is a way of life at all organizations these days. People need to understand the industry they are working in and what changes are happening. This will help them focus on growing with the organization.
 - Learn about the new work environment. This includes understanding teamwork, total quality, total service, self direction, and a myriad of other issues.

In essence, everyone is taking on aspects of management. People need to contribute to the organization, and management needs to create an environment that encourages employee participation.

For the organization, there are also a number of lessons. If an organization is to remain flexible and achieve success, incentives other than lifetime employment must be offered. Companies such as Digital, Delta, IBM and others have long since departed from the practice of offering employment security. So what can be done? The answer is overall employability - helping people develop skills so they will always be employable. If the organization can't provide employment, the employee should have a "suitcase" of skills that will make them attractive to another employer.

In order to do this, the organization should provide a number of services:

- Management must invest time and money in building employee skills.
- The company should change the reward and recognition system to take into account flatter organizations. Pay and other rewards should include a component of learning and cross-functional skill building.
- Finally, trust is essential. The company must provide confidential, comprehensive career counseling. Moreover, the company should adopt a "when we know, you'll know" policy. People should know when downsizing or other major changes will occur.

All of this points to significant changes in our traditional view of management and organizations. The old assurance of lifetime employment is obsolete. A new promise - one of continual learning and employability - will benefit both the individual and the organization