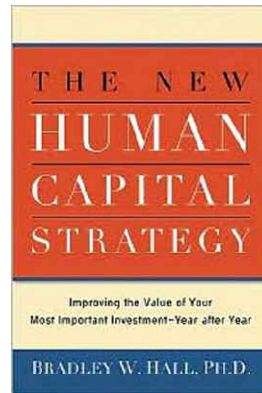


Reading is to the mind what exercise is to the body – Sir Richard Steele

The New Human Capital Strategy: Improving the Value of Your Most Important Investment – Year after Year

By Bradley W. Hall, Ph.D.
AMACOM, 242 Pages, 2008
ISBN-13:978-0-8144-0927-5
www.amacombooks.com



The statement “People are our greatest source of competitive advantage” is hackneyed at best, but still it is true. Author Bradley Hall thinks the main problem is that the leadership in companies doesn’t know if their employees are “better” than their competitor peers and whether they continue to improve annually. He proposes a radical new way of identifying and measuring precisely which activities are most and least responsible for sustained growth, and determining, much the way financial analysis does, which human capital investments will pay dividends over and over. The book maps out a way for HR departments to deliver true business results, and tie human capital initiatives directly and consistently to bottom-line results.

Not unlike many business (and HR) books today, this one quotes Thomas Friedman’s book, *The World is Flat*, and that is certainly appropriate because today the playing field is level. Well, almost level. Let’s face it; the companies with the deepest pockets will usually win the day. But that’s okay, because there is enough to go around and technology and the Internet have put companies of all sizes in the game. And, if you don’t have a gazillion dollars (or better still euros) your people are by far your greatest competitive advantage. Throughout the book you can sense that the author just doesn’t understand why companies don’t get it – and especially why HR doesn’t get it.

Bradley states that in most companies, sustained competitive advantage comes from a more productive workforce – better solution sellers, call center reps, store managers, and/or product engineers. He says, “Get the people and organization equation right, and the organization will win.” He adds, “...after 20 years in HR, I have seen almost no examples of a defined end-state blueprint for success or systems that reliably deliver measurable human capital improvements. He writes that the finger of blame points in many directions. Where is the general manager, and why does he/she not insist on managing human capital as a business asset? Where is HR, and why won’t the department accept accountability for results that matter to customers and shareholders? HR is locked into a paradigm where sub-profession excellence, world-class programs, and a “seat at the table” are the ultimate measures of success. Until HR

breaks out of this paradigm, it will continue its decades-long tradition of speeches and articles about potential value, but never realize it.

The author says that companies will know they have arrived when they can answer two questions:

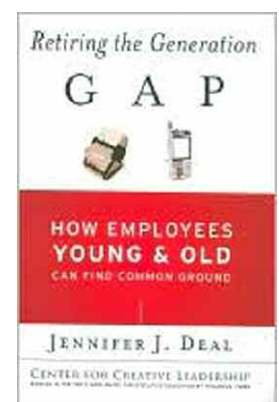
1. Is your human capital more valuable than your competitor’s human capital?
2. Has your human capital improved year-over-year?

The book enables both general managers and HR professionals to create a blueprint of human capital success and a strategy and system for achieving it. In so doing, it calls for “blowing up” today’s HR paradigm and questions many of its assumptions.

When it comes to systematically improving companies’ most valuable assets, the author says the model is all wrong. Why else would decades of speeches, articles, and training on strategic HR have failed to move the needle? How many more changes will you make in your appraisal program, incentive schemes, management development courses, and HR partnering workshops before you admit that they don’t really work? Bradley says “It’s not the programs – it’s the model. Let’s blow up today’s model and replace it with a fundamentally new Human Capital Strategy.” The book gives you the tools to do it.

Retiring the Generation Gap: How Employees Young and Old Can Find Common Ground

By Jennifer J. Deal, Center for Creative Leadership
Jossey-Bass, a Wiley imprint, 272 pages, 2007
ISBN: 978-0-7879-8525-7
www.wiley.com



If you have to interact with people from other generations, at work or at home, and occasionally find yourself confused, annoyed, ticked off by the behavior of people of a different generation, this book will help you get a grip!

Jennifer Deal has written this book in a conversational tone, which is probably enough of a reason to read it. The book is an outgrowth of an extensive research project conducted by the Center for Creative Leadership (CCL), a non-profit organization founded in 1970. While many are skeptical of research results (presidential polls, for instance), CCL’s seven-year project is clear and convincing. The author acknowledges that some people view research with a wary eye, so she clarifies

upfront how their conclusions were reached, and that the quotations and stories are all true. They would have to be, I'm not sure you could make up some of the things that people do as described in the book. Just so you have a picture of who the 3,200 respondents of the survey were: The Silent Generation (1925-1945) 7.5%; the Early Boomers (1946-1954) 27.9%; Late Boomers (1955-1963) 29%; Early Xers (1964-1976) 30.1%; and Late Xers (1977-1986) 5.5%.

But enough about the research process – it's the results that will surprise you. For instance, the research shows that with regard to values, younger people are not contributing to the decline of the working world any more than older people are. Further, you don't have to be concerned about how to cater to each generation individually. The values of the generations are so similar that there is nothing you need to do to hedge against the "bad" values of one generation or to try to keep the "good" values of another. The values are the same. However, the author says, the behaviors that go along with those values are different. In other words, all generations have similar values, they just express them differently.

This book presents 10 principles, and you likely won't agree with all of them. The author and her colleagues discovered an underlying theme to each principle. "Most intergenerational conflict shares a common point of origin: the issue of clout – who has it, who wants it." Sound familiar, ring a bell?

Principle 2 is that Everyone Wants Respect; people of all generations, they just define it differently. People in positions of authority want their decisions to be respected, older people want their experience and wisdom to be respected, and younger people want their fresh ideas and suggestions to be respected. Questions do not necessarily demonstrate disrespect.

Being from the Silent Generation, I really enjoyed Principle 6, No One Really Likes Change. Among other revelations, you'll find that both older and younger people believe (erroneously) that older people dislike change more than younger people do. The research shows that people of all ages dislike change because they think it is likely to affect them negatively (for example, because they're going to lose power or resources). People of all generations think changes are often instituted or communicated poorly. Older people resist change because they've seen it implemented poorly in the past, and they have no evidence that it's going to be handled any better this time – but, on the whole, they don't resist change more than younger people. Some people do have more problems with change than others do – but that isn't because of their ages; it is because they're more fearful of loss than they are hopeful of gain. And, guess what, managers and executives don't like change much more than do people lower in the organization.

The generation gap wasn't invented in the U.S. or in other country. The author uses quotations in the book at least as far back as 400 B.C. Clearly, the generation gap is probably as old as humankind, and neither this book nor any other will retire the conflicts between younger and older workers. But the author's use of applicable real-life scenarios is effective in helping to implement these findings, if you are in a workplace where intergenerational issues are impeding productivity. Perhaps the best news is that you don't have to try to accom-

modate each generation's individual whims, and you don't have to worry about learning a new set of whims when the next generation comes along. People from different generations are largely alike in what they think, believe, and want from their work life. Who'd have thunk it!

"What Strategy is Not"

By John G. Singer
MIT Sloan Management Review,
Winter 2008, p. 96

Strategy is not technology. Author John Singer says that no one gains competitive advantage from letting technology lead strategic visioning. When the same technologies and applications are accessible to everyone, there is competitive convergence.

Commoditized performance sets in because actors are copying one another. Advantage instead flows from getting ahead of the technology curve and using holistic thinking to guide the process of change. This is concept-driven innovation, a very different sort of framework than technology-driven innovation.

Strategy is not the Internet. The Internet is a piece of strategy, not a stand-alone strategic idea. Keep in mind that the Internet has not retired any already established media, e.g., radio, television, magazines, newspapers. Everybody has access to the knowledge on the Internet, using it creatively is the key.

Strategy is not spin. Singer writes that the shape and texture of modern strategic visions will come from discovering new language to frame action and new management techniques that work horizontally across organizational and national boundaries – not from "messaging."

People matter. Strategy has and always will have a human dimension. Technology can provide better analytics to support objective decision making, but proliferating technological components simply add more data feeds to integrate.

Singer says that there is a heavy price to pay for mistaking components of strategy for strategy itself, or misreading the strategic effect of components. He cites the pharmaceutical industry, for example, which is going through a process of profound transformation and intense negative reaction to its marketing activities. The industry's direct-to-consumer (DTC) advertising has yielded unforeseen results namely multiple federal and state investigations into its business practices. Tactical success does not necessarily produce successful strategic performance.

The fundamentals that are driving transformation in the pharmaceutical industry are the same forces reshaping nearly every industry. In all aspects of life and culture, the conventional notions of "boundaries" have lost meaning. In such a world, it is more important than ever to remember that strategy operates at a systemic level and that the intellectual framework for strategic thinking flows from a holistic perspective that is more art than analysis.

