

Leader

Volume 2, Number 12

Leaders take action, not position.

Managing for competitiveness, not compliance

"TRW's ability to meet its goals for the nineties and beyond depends on our ability to retain, attract and develop workers for tomorrow's jobs," says Howard V. Knicely, executive vice president, human resources, communication and information resources, TRW Inc. "We have to look beyond traditional considerations of pay, motivation, organization and training and consider the consequences of workforce diversity."

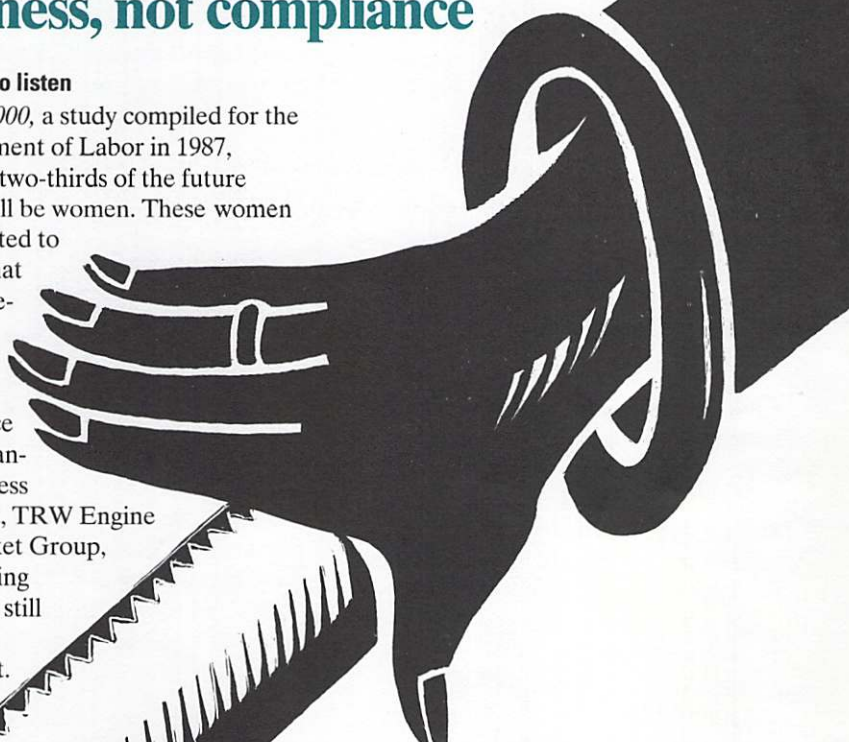
If the demographic projections for the next century are accurate, new entrants into the workforce are going to be primarily women and minorities.

Managing a diverse workforce will be a necessity, says Ike Brooks, director, employee relations, TRW Inc. "Companies across the United States are going to be competing for these new entrants. The question is, how is TRW going to attract, retain and develop them?"

Making time to listen

Workforce 2000, a study compiled for the U.S. Department of Labor in 1987, predicts that two-thirds of the future workforce will be women. These women will be attracted to companies that offer advancement.

According to Cindy Niekamp, vice president, planning & business development, TRW Engine & Aftermarket Group, TRW is making progress, but still has room for improvement.



"My experience as one of only two female vice presidents at TRW has been positive.

But it doesn't surprise me that others may not agree. Women have a lot to offer as professionals.

As TRW's workforce becomes more diverse, the company will become stronger."

But if the supply of future workers declines, as predicted by *Workforce 2000*, TRW will face stiff competition for qualified women. Issues such as child care, pay equity and advancement will be deciding factors.

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Managing for competitiveness

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Are women and minorities held back by the glass ceiling (a phrase used to depict lack of advancement for women and minorities)? Niekamp says yes. Space & Defense's Advisory Board of Women is currently studying the subject.

"The glass ceiling exists because people are comfortable around people like themselves," says Niekamp. "But it takes years to climb through the ranks. I don't think we've given women enough time to get to the top—yet. What concerns me is that TRW may not be hiring and promoting enough women at the manager and supervisor level. That's where we have to make the real effort."

Child care is an issue, but not a gender issue, as Niekamp and Brooks agree. "We tend to tie child care to women," says Niekamp, who had a child several months ago. "Fathers have an equal interest in quality care." S&D took that message to heart and last month opened TRW's first child care center, the Launching Pad, currently operating at almost full capacity with 185 children. According to Knicely, IS&S and Company Staff are examining ways to provide on-site or referral services for both child and elder care.

"My sense is that each year we attract and promote more quality women," says Niekamp. "However, is our rate of improvement as good as it needs to be?"

Multicultural, multifaceted

Not only does TRW have to attract and retain a growing female population, but it also needs to develop minorities, a major source of future workers.

"There's been a lot of discussion about diversity and the fact that the work place is going to look very different by the year 2000," says Laura Johnson, manager, contributions, TRW Inc. "As a black female, I just haven't seen a lot of progress toward preparing for that." Johnson

who has been with TRW for 20 years, rose to her current position from a job as a legal secretary.

"While some of the issues facing women and minorities are different, many are the same," says Johnson. "Women and people of color are concerned about advancement and equal pay for equal work."

Steps are being taken to address minority concerns, says Brooks. Sensing sessions to address the issues and concerns of women and minorities have been held with TRW Chairman Joe Gorman. A series of follow-on sessions for women have been held companywide. A series for minorities is being planned, which Johnson says is long awaited.

Grooming future forces

"S&D's vision for the '90s is not to look at affirmative action from a compliance point of view," says William Izabal, director, affirmative action programs. "With that focus, affirmative action becomes a numbers game that people aren't serious about."

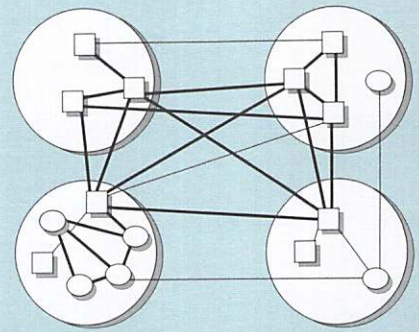
"We have to focus affirmative action efforts in line with our business," he adds. "S&D is primarily an engineering business. That's why we're emphasizing training future engineers."

S&D is involved with several educational programs to cultivate minority interest in engineering beginning in junior high school and on through college.

A similar commitment exists in Ohio, where Gorman heads the Governor's Task Force on Education, which is examining ways to create future talent that business needs.

"As we enter the next century, we must break way from the old notion that others have to adapt to an American or white male style. They don't," says Knicely. "We need to prepare our managers to adapt easily and confidently to diversity. This will spell the difference between success or failure." ■

Putting a byte in diversity



○ Women □ Men
— Strong link - Weak link

This diagram shows how women are often not part of critical information flow.

Are you convinced your organization has an old boy's network, female network or ethnic clique? A new software developed by Valdis Krebs, manager human resources, TRW Space & Defense (S&D) can provide an X-ray of your organization's communication and working patterns.

"As the number of women and minorities increased at S&D, both managers and employees wanted to know if there was equal distribution of responsibilities and opportunities," explains William Izabal, director, affirmative action programs, S&D. "It was critical to assess, beyond traditional population statistics, how well we manage this diverse workforce." The result was a new methodology, Measuring Organizational Diversity (MOD).

MOD adds a new twist to communications mapping technology. With the help of a computer screen, managers can see the links that exist among employees and spot potential problems that could lead to employee dissatisfaction and loss of productivity.

According to Krebs, communication and work patterns are tracked through surveys completed by each employee in the organization or unit being studied. Then, gender and ethnic identification codes are added. The result is a computer-generated diagram of the information flow among all employees (see graph).

"S&D wants to achieve full utilization of its workforce so that all employees are empowered to contribute to their full potential," says Izabal. "And that directly supports the TQM cultural of continuous improvement at TRW."

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TOM PETERS

On Achieving Excellence

THE MONTHLY NEWSLETTER THAT DARES MANAGERS TO TAKE INSTANT ACTION

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LEADING EDGE

Unleash Diversity to Gain a Work Force Advantage

I'm pretty liberal in my views — at least that's how I see myself. But my daughter sometimes reminds me that in the end, I'm an "OWM" — an old white male; I don't even know what I don't know about other perspectives.

So I wasn't surprised at the results of an **Ortho Biotech** exercise aimed at unearthing "unwritten rules" (*What's Working*). They found, for instance, that aggressiveness is an honored trait within the company — that is, if you happen to be white and male.

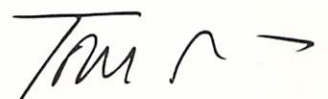
"Diversity." It's a hot topic, organizationally, politically and emotionally. This is one of those cases where private and professional views get all tangled up, with significant implications.

This month we jump into the fray with both feet. Why not? The **University of California San Francisco Medical Center**, our profile, had to — after all, 40 percent of its 15,000 employees are ethnic minorities! From UCSF you'll read of imaginative programs for coming to grips with diversity. What's exciting is that UCSF goes beyond that still-rare step of "coming to grips with" diversity. The avowed aim of its efforts is to treat diversity as an advantage, to use it as an opportunity to tap talents that heretofore have been suppressed or ignored. Ortho Biotech looks at the issue the same way: Times are a-changin', and they're ahead of the game — it will take competitors years to catch up with them, they say. I wouldn't bet against that assessment.

Then there's **TRW's Space & Defense Sector** (*What's Working*). They've got tough-minded engineers on board their diversity bandwagon, thanks to a creative new software program: It tracks informal power distribution and pinpoints the "old-boy network" that determines policy, regardless of what the official organization chart says. As a result, lots of fresh talent is being unlocked. (Once again, the issue is big: For instance, 45 percent of TRW's huge technician population is ethnic minorities.)

On it goes. Don't miss the daunting diversity exercise UCSF uses, reported on Page 9 — I'll bet it stops you in your tracks! (It gave me lots to think about, I'll tell you.)

This issue is hardly the last word on the topic. But I do hope that it is a strident wake-up call, and I especially hope that you think about "taking advantage of," rather than "dealing with" diversity. This is another of those arenas where if you jump in early, as the Ortho Biotech folks say, you will have a big leg up on most of your competitors.



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To Profit From Diversity, Measure How You Use It

Tapping diversity means more than understanding the impact of various cultural backgrounds or changing demographics. It is also a tool to accelerate improvement throughout the organization, says Bill Izabal, director of college relations and affirmative action for the **TRW Space & Defense Sector**. So when H.R. Systems Manager Valdis Krebs developed a software-supported initiative, Measuring Organizational Diversity (MOD), it became a key part of TRW's strategy to "manage diversity for competitiveness, not just compliance," says Izabal.

MOD makes sure women and minorities are involved in critical communication and work processes within the company. First, surveys are taken to show the key communication networks and decision-making patterns in the organization. Managers then see their "old-boy networks" in a color-coded diagram produced by a software program that maps access to and control of information and informal power structures.

"From the survey data, the software generates diagrams of workflows and personal networks, and which minorities are in them," says Krebs. From such measurements, Izabal adds, "You can see that African Americans are not being communicated with," for example. To remediate such situations, TRW provides skills training and career development. And measurements are retaken repeatedly to assure continuous improvement.

Tie diversity into improvement

Cultural Diversity Staff Consultant Belinda Ross says that software helps engineers buy into the idea of managing diversity. And, she says, the company's Affirmative Action Advisory Committee supports MOD as a management tool.

Ross adds, "With a diagnostic tool to measure how diversity is working or whether people are being disenfranchised, process flows are optimized — because you're using every worker as a resource who participates and is included

in problem solving." As a result, she says, "The program's received very enthusiastic response because it's credible and you can make decisions from the data."

For example, says Izabal, measurements have helped TRW ask itself, "Why weren't Asians moving up into management even though they had all the qualifications?" As it turns out, Asians weren't brought into high-level decision-making processes. Now TRW's Asian Task Force is developing strategies to change that.

Measure effects on people

Number crunching has also helped TRW analyze the adverse impact of layoffs, to make sure minorities didn't suffer the biggest blow. The proof? Says Izabal, "We still have a higher percentage of minorities today than when we started experiencing layoffs in 1988."

New software maps access to informal power structures

But downsizing has limited the positions open to women and minorities, and MOD helps dramatize the point. For example, says Ross, "Our Advisory Board of Women has always been pretty vocal on where they want to be, and this gives them more of an argument. From a human development standpoint, it identifies key jobs, work experience and key competence so people can be rotated into critical workflows and job functions."

The biggest power of the program, Izabal concludes, is in helping the company to "fully utilize the work force we already have, and to put minorities in positions where they won't be the first to be laid off." At Space & Defense, 45 percent of technicians are minorities. Says Izabal, "Can we afford not to have full utilization of these people? The diverse work force is already here. We must start using it effectively."

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< **TRW takes internal x-ray**
— *Learns who's left out of the loop*

flight attendants to respond appropriately to the demands of business people, elderly, disabled and mothers with young children, from dozens of different cultures.

Additional cross-cultural training also teaches flight crews and staff about each other's sensitivities. Unlike most other carriers, Cathay Pacific extends this training one step further to the back of the house. All management trainees go through at least a two-day seminar with a local psychologist specializing in cross-cultural differences. Through exercises and game playing, perceptions and biases emerge and are then discussed.

Recently, the company developed a performance-appraisal system to measure not only results but how they were produced. Ten percent of management — 70 people — were queried for their suggestions on how to improve communications within the company. Within two weeks,

the company circulated those ideas to both managers and blue collar workers, and initiated a cross-functional, multicultural dialogue about the issues raised.

One of the issues — giving and receiving feedback — took an ironic cultural twist. The Europeans, trying to be culturally sensitive, worried that some of the suggested improvements would cause the Chinese to “lose face.” The Chinese answered that this was not a problem and as individuals they wanted to know where they stood.

“When managers talk to their staff, their initial training helps cultural understanding, and now in building this appraisal system, we have helped to improve understanding among the Cathay team,” says Paul Stringfield, Manager of Staff Development for Cathay.

For more information, contact Paul Stringfield at [852] 747-2279.

< *Airline translates differences into profits*

— *Masters diplomacy to cater to world market*

ACTION BOX

1. Make it a competitive advantage!

Ortho Biotech says it will take competitors years to catch up! TRW sees awesome advantage if they can fully utilize the talent that they have aboard already. This isn't a matter of avoiding lawsuits, it's a matter of using today's, and especially tomorrow's, resources efficiently and effectively.

2. Measure it! I didn't expect to be saying that, relative to the diversity issue. But the marvelously clever and creative software that TRW has invented even sucks those hard-nosed, quantitatively biased engineers into the fray. It goes far beyond “counting heads” for Equal Employment Opportunity regulators: Mapping the old-boy network and real decision-making power is an act of pure genius. (And, as TRW found out, it leads to credibility, and then real action.)

3. Understand the significance of these programs. Consider, for instance, those 45 percent of critically important technicians at TRW who are minorities. That's the ballgame, my friends!

4. Develop formal programs. It's the Measuring Organizational Diversity program at TRW and the Managing Diversity Task Force at Ortho Biotech. (Or the wonderful, formal tools developed at Security Pacific — described in “Strategies for Success” on Page 8.)

5. Use diversity to add new perspectives. At Cross Cultural Consulting, using the power of different perspectives, based on varied cultural backgrounds, leads to a new way of looking at virtually every project. This is another twist on the critical issue of “diversity as advantage.”

6. Make it an across-the-board effort. This is the Cathay Pacific story, not stopping just at flight attendants schooled in the ways of their customers, but going on to include the back-office group in the program.

7. Believe it: There *are* unwritten rules — and the objective is to unearth them. Personal aggressiveness is dandy, Ortho Biotech found, as long as you're a white male. You don't think your organization has such rules? Guess again!

Tom R →

HRIS IN FOCUS

BY WILLIAM M. KUTIK

MEASURING AND THEN MANAGING DIVERSITY.

Several experienced consultants have said writing exclusively about human resource information systems (HRIS) had to become boring quickly because it's always the same old thing. One person who consistently proves them wrong is Valdis Krebs.

Krebs is a truly rare bird in HRIS: a genuinely creative computer techie who also knows HR functionality inside out. So far, the HR departments at Toyota USA, Ford, and now the TRW Space & Defense Sector in Redondo Beach, CA, have all benefited from his rare combination of skills.

He has come up with a new application of technology to a new HR problem: managing the diverse workforce. Krebs' central point is "You can't manage what you can't measure," and he is using his own Macintosh software program to help TRW measure and then manage their diversity.

What's to measure? skeptics might ask. We've already got all our numbers on women and minorities, as required by EEO/AAP, they say. Well, having the right numbers is not enough. Krebs cites recent academic research that points out only employees who become part of a company's internal social networks and critical information flows become productive workers, stay with the company, and get promoted.

Krebs' software, called InFlow, allows you to take an x-ray of an organization to see how different individuals and groups are actually linked and work together. Whether woman, for instance, are integrated into an organizational network. Or how well minority employees communicate with the white males. Or why Asians aren't moving up into management even though they have all the qualifications.

"You can see things that were formerly invisible," he says, "like the glass ceiling highlighted by the federal Department of Labor".

THE PROCESS STARTS with each employee completing a 30-minute questionnaire. The questions center on their relationships with other people in the organization: Who gives you information? How useful is it for your job? How frequently? Whom do you give information to? The gender and ethnic identification codes of each respondent can be downloaded from the corporate HRIS. From this data, InFlow draws an information flow chart that bears little resemblance to a company's traditional org chart. Instead it shows who is actually talking to whom or which group to which others. The intensity and value of the communication is shown by lines of varying width.

This diagram reveals how an organization actually functions, by showing who is central or critical to various information flows and networks. Since the diagram identifies individuals as women, minorities and white males, it also pinpoints the "old-boy networks" that determine policy within the organization, regardless of what the official org chart says.

Krebs recently completed the pilot project at TRW: a survey of one 105-member department with nine separate workgroups. "The diagrams showed that department to be in pretty good shape," Krebs says, "and we didn't find any patterns of exclusion of women and minorities." Other departments will follow.

THE INFLOW SOFTWARE recently caught the attention of management guru Tom Peters, co-author of "In Search of Excellence." In his monthly newsletter, Peters wrote:

"It goes far beyond counting heads for Equal Employment Opportunity regulations. Mapping the old-boy network and real decision-making power is an act of pure genius."

InFlow's ability to show how work really gets done may be getting increased attention. In San Diego, TRW will be using it as part of a Total Quality Management effort to see how networks of people link up with business processes. There, the questionnaire will focus on each business process: Whom do you work with on accounts receivable, product planning, marketing, etc.? It's just a different way InFlow can be used to slice an organization.

"We got some interesting questions from the people involved in the pilot project," Krebs says. "They wanted to know if InFlow could help show them what the critical jobs are. I think it can."