BI Radio

Episode 17 – Get Smart

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Station ID: This is BI Radio

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Montage:

- Well I would like to think I had a strategy.
- That's really when my turmoil started I guess.
- Take good care of your people, they will take care of the customers. Why are so few companies actually doing that?
- Without the technology I wouldn't be able to sort of pull that off.
- We may be communicating and talking and he might not be understanding.
- Make us work smarter, make us work better. It's just a fact of life these days.

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Ken Seeley: Hi there and welcome to BI Radio. I'm Ken Seeley. On the show today we'll get smart. From Georgia classrooms to corporate boardrooms, we'll look at the role performance management solutions can play to help everyone make smarter decisions. We'll discover a smart way to manage performance in Georgia's elementary schools. And our technology soup panel looks at smart ways that smart companies connect smart people around the world. But first up, what were they thinking? Business author and Stanford professor Jeffrey Pfeffer talks about not so smart decisions and dispenses some unconventional wisdom about business management.

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Lisa LaRochelle: Hi, I'm Lisa LaRochelle. Jeffrey Pfeffer is a professor of organizational behaviour at the graduate school of business, Stanford University. He is the author and co-author of twelve books. Professor Pfeffer began his career at the University of Illinois Business School and then taught at the University of California at Berkley. He has been a visiting professor at the Harvard Business School, Singapore Management University, London Business School and IESE in Barcelona. In this segment I'm talking with Jeffrey about his book What Were They Thinking: Unconventional Wisdom About Management. Listen in as we challenge conventional wisdom and talk about data and insights to help companies make smarter decisions. Hi Jeffrey.

Jeffrey Pfeffer: Good afternoon.

Lisa LaRochelle: Your book is titled What Were They Thinking: Unconventional Wisdom About Management. What was the inspiration behind writing it?

Jeffrey Pfeffer: The inspiration behind writing the book was actually quite simple; if you look at the world's many organizations and many leaders of these organizations are making decisions on a daily basis that essentially make no sense. And so I guess the answer to the question, what were they thinking, is that in many instances people aren't thinking at all. So I wanted to provide a short set of ideas, guidelines, data and ways of thinking about a variety of management and leadership issues that would help practicing managers and the companies for which they work make sounder, more evidence based, more helpful kinds of choices.

Lisa LaRochelle: There are five sections in your book: People-centered strategies; Workplaces; Leadership and Influence; Measures of Success and Public Policy. Of these sections which do you think is the most critical for management to pay attention to?

Jeffrey Pfeffer: That's a great question but it's like saying you've got a heart, you've got a brain, which is more important. You can't live without your heart, and by the way if you're brain dead, you're probably dead as well. So I really think all of them are about equal in importance. So for instance if you were to ask me off the top of my head I would probably say the first one; people-centered strategies, because if you

take good care of your people they will take care of the customers and they will be innovative and build products and technologies that will make you successful and then everything will be just fine. And that's true, but then if you said why are so few companies actually doing that, then you come down to issues of measures and you come down to issues of public policies.

Lisa LaRochelle: Okay, so let's talk a little bit more about people-centered strategies. You state 'before you can manage a customer relationship you first need to build or create that relationship'. So how can organizations start building or creating effective customer relationships?

Jeffrey Pfeffer: Well it's actually very simple, which is they ought to in the first place put themselves in the customer's point of view and secondly so that they actually build products and services that are responsive to what the customers want and what they need. But secondly relationships are built by people for the most part and one of the things that I think we have tended to do incorrectly is to say well you know I'm going to get rid of lots of people; we'll put our call centers on the moon or someplace; we'll put you on hold forever; we'll have you do this phone thing: press 1 if you want to speak to a human being; press 2 if you can't stand listening anymore. By the way every survey shows 90% or more of most people hate this. So the point of all of this is that technology can augment people's abilities to provide great customer service, but almost no technology can really replace a well trained, well motivated skilled employee.

Lisa LaRochelle: You talk a lot about communities in your book and I think that this is a common theme in today's world. What is a community to you and how would you go about creating one in an organization?

Jeffrey Pfeffer: Community to me is a group of people who actually care about each other and about each other's welfare and therefore they will do things like band together to help some individual if that individual has experienced some personal or financial difficulty. They will do things to basically look after each other's interests and to take care of the entire organization or unit. So that's what a community means to me. Now the question of how organizations build communities, it's an interesting question. It's actually simple, but oftentimes not done. And that is to personalize things; to not be afraid of building a certain degree of emotional intimacy; to not be concerned about mixing work and personal life and creating these artificial boundaries that many companies have created. And so you're dealing with the whole individual. So if we were talking about really building a community then I would get to know you and your concerns and interests and vice versa and I would be concerned about your total welfare not just whether or not you could do a good job interviewing people on the phone.

Lisa LaRochelle: So in times of financial difficulties companies often resort to laying off employees and/or reducing the pay and benefits for existing employees. You suggest that this seldom fixes anything. Why is that?

Jeffrey Pfeffer: Because if you actually look at the evidence the evidence is overwhelming. I mean there have been probably now scores of studies done on the effects of downsizing and the evidence is overwhelmingly clear that downsizing has negative effects. It negatively affects stock price, it negatively affects networks of relationships which are necessary in order to launch new products and services because mostly if you bring a new product or service out you need the cooperation of multiple departments. And when you lay people off, since relationships are carried by people, those relationships are disrupted. It negatively affects productivity. In many instances it actually negatively affects cost because if you actually look at the data many surveys find the following; a significant fraction of people who get laid off either they or someone like them then get rehired as contractors because it turns out that the work doesn't go away even though the people do. So the effect of layoffs and downsizing is mostly very negative and a bunch of studies have shown that. Similarly for reducing benefits and wages; people will typically respond in one of two ways; first of all people leave and secondly even if they don't leave they will very often resent not having what they have grown accustomed to and they will take out that resentment in a variety of ways. So therefore you put yourself as an organization in a very, very difficult competitive position.

Lisa LaRochelle: And what about innovation and daring to be different? Why is this so important for an organization?

Jeffrey Pfeffer: Well there's a simple aphorism which I often use which is if you do what everybody else does you'll get pretty much the same results. Innovation is really important because you need to differentiate and to stand out. Michael Porter, the strategy guru, pointed out many years ago there are

essentially two ways to be successful; you can either compete on cost or on differentiation. And the problem with competing on cost is that it is almost inevitable that other people are going to be able to duplicate what you have done. So therefore in order to be really successful its much better to have a strategy of differentiation, to have a product or service which other people cannot, or other companies cannot so readily copy. And that requires innovation and it requires also daring to stand out, daring to be different.

Lisa LaRochelle: Thank you very much for joining me Jeffrey.

Jeffrey Pfeffer: Thank you.

Lisa LaRochelle: Bye.

Jeffrey Pfeffer: Bye, bye.

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Lisa LaRochelle: That was Jeffrey Pfeffer, Professor of organizational behaviour. I'm Lisa LaRochelle. Thank you for listening in.

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Station ID: Interviews, insights and opinions on performance management. You're listening to BI Radio.

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Don Campbell: Hi I'm Don Campbell, Chief Technology Officer.

Stephan Jou: I'm Stephan Jou, Technical Architect.

Meagan Hanes: And I'm Meagan Hanes, new media engineer.

Don Campbell: As you can hear from Stephan he's not in the room today. We're dealing with remote groups and remote projects all the time and I just got back from a trip literally around the world; in Australia, in Korea, and yet I had to stay connected to the business and continue to do meetings, continue to communicate. So it's just a fact of life these days and we need technology to help us do that.

Stephan Jou: It's actually amazing how much technology has evolved and so quickly in order to help deal with things like remotely distributed employees and people who need to stay connected across different time zones, from different countries all at the same time. As you just mentioned Don I work out of Toronto now but I still have 14 people that report to me out of Ottawa. So without the technology even from simple things like email all the way up to IM and web conferencing I wouldn't be able to pull that off as seamlessly as I think I have.

Don Campbell: So how important is it to have technology that allows us to bridge some of these somewhat cultural barriers really; to allow us to be on a level playing field and to not put, in this case, you Stephan being the odd person out in a meeting...how can we use technology to try and balance that?

Stephan Jou: Well there are definitely some gaps but as I said technology is sort of moving in all the right ways to help fill those. So right now even though I could have say a voice call and a web conference it's hard for me to see what other people are seeing. I can't see their facial reactions; I can't see their body gestures. Without having people announce themselves sometimes I can't even tell who's in the room. But there are technologies coming online now that seem to help even fill those gaps.

Don Campbell: Yeah I spend a lot of time now in meetings where we turn on our video cameras and even though other participants are in the same building we don't always get together in the same meeting room, the same meeting place, but we can come together as peers. And I often forget that one of the participants is coming in from Germany and another one from the west coast of North America and the time zones are radically different. My stomach is gurgling because its lunch time and they're ready to go to bed. So there's certainly some differences there but the technology to me at least somehow is balancing that all out. And we all have the same opportunity to have the same voice at the same meeting and I feel like that's really going in a positive direction.

Meagan Hanes: You know you do have a point. There are some advantages and disadvantages that are caused by having a combination of let's say real life people in a room with a meeting and then some participants on the phone. For example you and I are sharing our hands and we're having body language whereas Stephan on the phone can't see that and we may be communicating and talking and he might not be understanding us. So there are ways that we can, if we are all on the phone together or if we are video conferencing like you said from your desk, even though we're in the same building, it makes an even playing ground for all participants. And that's really one of the key things in being a global company is making sure that there are no advantages in certain states.

Don Campbell: I was fortunate enough to be part of a prototype situation where we sat in a room at this board table. And the board table was up against the wall and projected on that wall was the other half of the board table which really existed in a different country. And the video system that projected that all together made it very seamless so it looked like we were at one big shared table and we could communicate back and forth. Our videos and audios were all synchronized properly and they were seeing of course the inverse of that on their side. And after a few minutes of gee isn't this cool technology, it just became okay let's just get our business done.

Stephan Jou: That's amazing. I remember when video conferencing first started around the mid to late 80's and we dabbled a little bit in the company I was at at the time, but it was kind of frustrating because if you moved your head fast enough the frequency of the video camera and the delay in transmission at the time, sort of made it look you sort of disappeared really quickly and reappeared at a different spot. But things like network latency and hardware have really smoothed that over and now we're even entering things like what you just described and things like virtual reality worlds.

Don Campbell: Yes, in fact I was in a meeting over the last couple of weeks; a fairly intense meeting with literally hundreds of participants in a 3D space. We each had our own avatar; we joined together in this meeting from multiple different countries in different time zones. One of the great things about it was because of the physical limitations you might have in a boardroom where everyone's trying to get the seat at the table; you don't have any of those issues in a virtual environment. And when I was doing a presentation for instance they just created me my very own room and people could come into this room. My slides were mapped onto the walls of this room. I could run the presentation by focusing on a certain slide and having it sort of zoom up into view a little bit better, etc. And people as avatars would teleport into this room, would ask me questions, would watch the presentation. They would leave when they needed to leave, etc. But I had the space to work within my own room and hundreds of people simultaneously had that same space. So we weren't limited and bounded by the number of chairs that happened to exist in a boardroom. So that certainly was an advantage.

Stephan Jou: That's very cool and with multi touch I could slap people around too.

Don Campbell: You need a little bit of haptics technology in there and we're all good to go.

Meagan Hanes: Force feedback.

Don Campbell: So all of these technologies helping to bring people together, helping to reduce costs; increase effectiveness; make us work smarter; make us work better; save the company some money; I think it's all going in a good direction. The mobility of workers is certainly a trend that's not about to stop and technology can play a big role.

Meagan Hanes: Well as companies just get bigger and bigger the other countries get connected to the internet, the pool of talent just gets larger and larger if you're willing and able to access these people that are not in the country that you are. So it seems very logical to continue in this direction where we can connect with people all around the world.

Don Campbell: And if you don't mind their avatar looking a green alien, then so much the better.

Stephan Jou: That's a pro in my book.

Don Campbell: There you go. We'll talk to you the next time folks.

Meagan Hanes: Bye.

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Station ID: Insights on performance management from the people shape the industry.

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Kelsey Howarth: Hi, I'm Kelsey Howarth. I think we can all agree that our schools are our future. Helping them make timely informed decisions in all areas across student performance, program costs, staffing, compliance and more is critical. Over the summer I sat down the Dr. Alan Kicklighter, director of testing and special programs at the Burke Count Board of Education. Here he shares how they're using IBM Cognos software to help principals, teachers and administrators make better decisions and help our next generation get smarter. Can you tell us a little bit about Burke County Board of Education and the role the board plays in setting school policy?

Dr. Alan Kicklighter: Burke County is a rural area in Georgia. We're the 2nd largest county in the state of Georgia and we serve approximately 4,600 students. And all of our schools are primarily centrally located in the largest metro area of Burke County. The structure in Georgia, the Burke County Board of Education office is in charge of all these schools. Three years ago the superintendent decided that we needed somebody that was in charge of our ongoing state and federal testing programs plus the implementation of local benchmark testing. And of course some way to manage all of that. So that was when I was hired to come over to the Board of Education to really try and look at where we were, what kinds of data we had and try and put it together. And that's really when my turmoils started I guess.

Kelsey Howarth: Well that leads into my next question of what the issues or pains that you faced before Cognos. I would imagine its just reams of data in different formats. Was that the big issue?

Dr. Alan Kicklighter: Oh yeah. You know education is a data rich environment but really I think education lacks a lot of the business practices that are formalized in business and industry. We just go about the education...I mean it's always been about educating students. So I don't think we've really been very good business models. So we had a lot of data, not really a lot of ways to look at it except piecemeal. We had all the state and federal required testings and the local data and there just was really not a way to put it all together except for very painstaking manual ways of just looking at individual student's data. And you lost sight of the bigger issues.

Kelsey Howarth: Now did you look at business intelligence as a solution first or what was your strategy for finding a solution?

Dr. Alan Kicklighter: Well I'd like to think I had a strategy. Really what I was trying to do was just swim out from underneath the layers of data. For example here we used the CRCT, Criterion Reference Test as our major assessment for grades one through eight. Immediately I started looking at what we could do for data warehousing and then how we could use that data once we had it to try and make some use of it. And I started looking at some different products. I started just trying to...again; I was not coming in as a data specialist I guess or someone who was real familiar with business intelligence. But then I started looking at some student information systems that use some Cognos backbone. And then found out about Cognos and found out that the state of Georgia was using Cognos and that's really where I ended up with Cognos.

Kelsey Howarth: Now what departments used Cognos? Who would create these reports and who benefits from them?

Dr. Alan Kicklighter: Primarily Decision Ed who were the consultants that we were using, have helped us create the reports. Other than that it's pretty much laying out to the principals right now, the ability to look at reports for their schools. These are preformatted reports that they can run. I mean they go in and they can change some variables in it but it's a preprinted or predefined report setup. And then hopefully by the fall of this year I can roll it out to some teachers so that they can start looking at the individual classroom performance of their students.

Kelsey Howarth: I'm curious to know what the response was when they saw this information for the first time.

Dr. Alan Kicklighter: Well the principals are very astounded at what we can find out because they do want to look at who is performing, how their students are performing and how the teachers are performing. And teachers do have quite a bit to do with how their students make progress. So the growth reports I think are the biggest benefit or the biggest eye-opening event for them at this point.

Kelsey Howarth: What were some of the outcomes or new efficiencies gained; cost savings or just better information?

Dr. Alan Kicklighter: I think the biggest cost savings or benefit will be at the beginning of the school year for the first time the teachers will be able to see, based on their current class roster, what the results of their students from the last summative assessment that they've taken, what they are without having to do any kind of re-rostering manually. They will have all the results available to them real time from Cognos. And of course Cognos we have it set to interface with our student information system so as students change or classrooms change then that information is updated actually nightly.

Kelsey Howarth: So are there any eureka moments or you found out something that you really never could see before?

Dr. Alan Kicklighter: Well I think you can...there's a lot of things that you've never even seen before. Probably the first one that really kind of got me I guess was just looking at stuff like attendance and saying aha, you know this kid is not coming to school and it's Wednesdays that they're missing. So what are they watching on Tuesday night? That's really simple to say but as a district I mean I'm looking at how kids...because we get graded on whether kids come to school or not. And looking at kids who have a real negative attendance pattern and trying to figure out exactly what that pattern is. And I couldn't have done it in the past but now I can with just a couple of clicks. I can drill down to see an individual kid and what days of the week they are having the predominant problem of not attending school.

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Kelsey Howarth: For more information on IBM Cognos solutions for education please visit ibm.com/cognos/solutions/education.

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Ken Seeley: Well that's a wrap. I'd like to thank our guests today; from Stanford University, Jeffrey Pfeffer; from our technology soup panel, Don Campbell, Stephan Jou and Meagan Hanes; and from Burke County Board of Education Dr. Alan Kicklighter. Thanks as well to our segment producers Kelsey Howarth and Lisa LaRochelle; to our writer Delaney Turner and finally to our head producer and audio engineer Derek Schraner. A reminder to check us out online at radiocognos.com where you can listen to previous shows, download individual segments and view the transcript of each broadcast. If you care to comment about anything you hear on the show email us at biradio@ca.ibm.com We thank you for listening. I'm Ken Seeley. We'll see you in about six weeks.

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Station ID: Performance Management you can listen to. This is BI Radio

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