



Special Report:

Robin Elledge 4-Force Collision
Part I

Katherine Moody: Hi. This is Katherine Moody. And welcome back to another podcast and on one that I'm really excited about. Today, we're going to hear from Robin Elledge, and I'm just delighted to be able to introduce her and her interesting thoughts to you. She is a senior human resources executive and has extensive experience in both publicly traded and privately held corporations including Hot Topic and IHOP. So Robin, welcome.

Robin Elledge: Thank you, Katherine. It's nice to be here.

Katherine Moody: Great! So, Robin has been doing organizational consulting for the last year and helping business leaders address their business issues through HR strategies. Now, we're going to talk today about the 4-force collision and its implications for HR. And the first part of this podcast will be Robin's discussion of something I find really fascinating, what she calls the 4-force collision. And then in Part II, she is going to talk about its implications for HR, the value that this collision has for HR, and the opportunities that it presents including the opportunity for HR to have such a key role as a strategy cable. So I'm very excited about this, Robin. Thank you so much for joining us.

Robin Elledge: Oh, you're welcome. It's fun to talk about.

Katherine Moody: I know, I know. Robin and I have actually been talking about this for a long time, and I just so enjoy every one of those conversations. The first question, Robin, is I'd love to have you tell us how you got interested, intrigued, and engaged in this whole topic.

Robin Elledge: Sure. Actually, you know, many of these sorts of things do. It came about through networking. Specifically, I belong to an organization called HARRT, also known as the Human Resources Round Table. That is a group that's sponsored by UCLA Anderson School of Business, and it's a group of senior executive people in HR within the Los Angeles area. And we - as part of our group, we have an annual retreat, and at our last retreat which was in November of '09, Bob Johansen spoke and Bob is with the Institute for the Future which is a future-focused think tank if you will out at Palo Alto and his - and his group, his entire group, are doing really interesting things in terms of forecasting the future.

And he kind of at the last, you know, at our last retreat, he kind of threw out a challenge for all of us in the HR profession, which is basically, "Hey, you guys," you know, "when these changes come about in society and in business, typically, human resources have been on the receiving end and the reacting end." So a business leader would come to us, you know, the finance guy, the IT person, the operations individual, the CEO, and say, "Hey, I need you to look at this. I need you to come up with some strategies for how we're going to address that." Well, he said with the things that are happening now that they see over the next ten years, human resources is in a paramount position to actually drive those changes forward to actually implement them and to be a leader. And I got really excited about it because I thought A, first of all, it's really interesting stuff.

Katherine Moody: Yes.

Robin Elledge: But secondly, there are so many people, and I'm sure you've heard this too, Katherine, that talk about whether human resources truly has a seat at the table, at the executive table.

Katherine Moody: Right.

Robin Elledge: And many people in HR evaluate a role on the basis of that one criteria. Well, I think that that, in all honesty, is a passé argument or discussion I would say, partly because, you know, you don't just - you're not given a seat at the table. You have to earn it. And so these types of topics, these types of challenges and opportunities that are placed in front of us really truly give us an opportunity to demonstrate our value and to say yes, not only should we have a seat at the table but it would be insane not to include us in your conversations, your true business conversations, because we are business people first and HR people second.

Katherine Moody: I agree. I would love to see HR have more of a role in at the table and then strategic business decisions. As a non-HR person, I think that that is one of the things that organizations miss, and so anything that helps us get HR people to that table and having a voice, I'm all in favor of.

Now, we call this the 4-force collision and you have explained to me that the four forces that you see - the nature of the business environment, workforce demographic, technology, pop culture, those are the forces. Could you tell us a little bit about those forces and what - what is the reason that you see them coming together in what you have called that I love, a collision?

Robin Elledge: Sure. And, you know, it sounds very fancy, the 4-force collision, and I laugh when I think about that 'cause there's, you know, in an infinite number of forces that are taking place and changes that are happening in our society and in the business world that there were four that kind of jumped out at me when I was looking at this. Because after Bob Johansen by the way, after his presentation, I really got excited about this, and I thought, "Well, you know, how often in your career do you really have time to look into something that's interesting to you?" And so I have been talking to a lot of companies, doing a lot of reading, and basically doing research in this area, and four things are happening simultaneously that I think are very impactful to our profession and basically are changing the way the workplace and the workforce is going to be operating over the next 10 to 20 years.

The first one that you mentioned actually is the nature of the business environment, and I think that everyone knows that, you know, the things that we used to judge the success of a business and the things that we're interested in have changed partly because of the recession but just even if the recession is lifting. The focus on efficiency and economics and saving money has not gone away, will not go away. It's a pendulum swing and we are in a conservative place from a business perspective in terms of spending money.

And then secondly is demographics. I don't want to spend a lot of time on this only because so much has been written about this topic.

Katherine Moody: True.

Robin Elledge: But it is true and, you know, as someone who was the Head of Human Resources for Hot Topic, we had a significant portion of our both employee and customer base that were

Gen Y's or also known as Millennials, and there is no question they think differently. There is no question they have different expectations coming into the workforce. But on top of that, it's not just about the Gen Y's. We have four generations working together, and they have different thoughts and processes, but the - but the Baby Boomers are going to be retiring in record numbers over the next few years. What are we doing to maintain their knowledge and their engagement in the organization from a mentoring perspective and sort of a historical perspective? I think that's an important consideration.

A third force if you will or a third trend are actually social trends that are happening. You mentioned pop culture. That's certainly one of the social trends because obviously things that happen in pop culture end up affecting business, whether it's anything from how we dress to how we communicate with each other. But in addition to that, there is other social trends like a cry for social responsibility that goes beyond the typical sort of green company mentoring, grassroots economics, sort of like eBay on steroids if you will. I mean that's another huge trend that's happening. Everyday awareness of vulnerability and risk. I mean people - after 9/11, our worlds changed and every day we pick up a newspaper or, you know, open the internet, we hear or see more evidence that we are in fact vulnerable. We don't live in a bubble anymore. And these types of trends do impact how people come to work and the expectations they have at work, and so therefore do impact HR.

And of course the last trend that you mentioned is technology. Lots of interesting stuff happening here, and - but one thing I do want to mention about social technology is that it's not an in and of itself. There's a lot of people I've talked to that are sort of entering into this sort of social media sphere because it's the thing to do or because it will enhance communications. But if it's not tied to an actual business result or business expectation, if it doesn't drive the business forward, it won't have the momentum to continue. So yes, there are tremendous things - cloud computing, wikis, blogs, social networking, crowdsourcing, lots of things that will actually assist business meet its goals. And I do think we need to be aware of those and look at those, you know, but they're really just an enabler to whatever our business objectives are.

Katherine Moody: Interesting, interesting. And actually, that's how you and I started because I started talking to you about social media and you said, "Oh, no. It's much bigger than that. There is this collision of the four forces." And that's how this conversation came about. And I think you're right that a lot of companies are really focusing on social media and all of these other things are happening and it's easy to lose sight of them and this intersection. So, could you tell us about this intersection where they're coming together and what's happening as a result of that? What's happening in that intersection?

Robin Elledge: Really fun stuff. Very interesting things. Obviously, there are many companies. We're looking at the way they attract and retain employees. We don't want to spend a lot of time on that. There has been a lot written on it. But I mean, even the Roman Catholic Church and the CIA. The Obama Campaign is another great example, the campaign for Barack Obama that used very different methodologies if you will. I mean, the Roman Catholic Church has a YouTube channel for goodness sakes and so - and they're using it to recruit and retain Catholics. So, lots of interesting things happening on that front.

Robin Elledge: A second area that actually has I think tremendous opportunity for businesses is innovation. Interesting things happening. Geek Squad has used wikis for example to do product development, and when I use the word "wikis," I really mean a collaborative

website where multiple people come on and actually build on one another's idea. Wikipedia is the most probably one example of that.

But here is another really fantastic example and that's Avery Dennison. They have this really tremendous program if you will and it's fairly new so the results haven't really played out extraordinarily well or they haven't gone too far with it. But they have a - basically a website or something that you can log onto on the internet. It's in the cloud. And every employee of the company is given \$20,000, not real money, play money, just so you know, and this entire exercise is about developing products for Avery to sell to the market. And they are reaching out to all employees, not just those in the R&D Department but anybody who might have an idea for a product for Avery.

So, if you have an idea for something you think Avery could sell to the market, you can spend \$5000. It costs \$5000 to put your idea on the marketplace, all right? So now you have \$15,000 left over in it but you can invest more than \$5000. If you think it's a fantastic idea, you can just invest your entire \$20,000 on your idea. But if you're not the type of person who has an idea or if you have \$15,000 or \$10,000 left over, you can also use your money to invest in other people's ideas.

Katherine Moody: I love that.

Robin Elledge: And the interesting thing about this is that what it does is the ideas that the fellow employees think are the best rise to the top. So the R&D Department does not have to wade through, you know, hundreds of thousands of ideas. They really only take the cream at the top, the top 5% that other people have invested in. And they - basically, they're investing their dollars and that means they're voting on these ideas. And in fact, the Head of HR for the Office Products Division Mark Alders, he has a product that's coming to market. So here is an HR guy who has actually developed a product and designed a product for Avery, and it's going to hit the market before the end of the year.

And there is real dollars involved too. If you have an idea that goes to market, and I'm not exactly sure of the exact formula, but it's a percent of revenue that you - not only you get. This is the other interesting thing. Anybody who invested in your idea gets a percentage of that. So even if it wasn't my idea, if I voted on it, if I invested my money in your idea, my fake \$20,000, I'm going to get something real at the end of the day. Really interesting.

Katherine Moody: It sounds brilliant, doesn't it? And it sounds like it's bringing such a fun environment to the workplace.

Robin Elledge: Yeah, absolutely, and I think it really demonstrates. There's a guy and I'm going to get his last name wrong and I apologize, but James Surowiecki. He wrote a book called "The Wisdom of Crowds," and he, in all of his research, he basically said a lot. Independent people, large numbers, if you get enough people of independent individuals, they will collectively achieve a better result than most individual experts. But the two criteria that have to be there for this to be - to be realized is a diversity of perspective and independence of thought. So you need to have an environment that is absolutely free to express what you really think without, you know, censorship or control if you will. That's one of the keys and it's - and it's also by the way behind all the open source movement is that, you know, if we really lay it all out there, we will self-correct, we will teach each other, we will learn from each other. So - and I think the example at Avery is a good one in that regard.

Katherine Moody: It's wonderful.

Robin Elledge: And by the way, as I'm thinking about this...

Robin Elledge: You know, it also has occurred to me on, you know, when I think about the Avery situation specifically and others that I've talked to, it's going to change the way we view experts in our organization. In the past, it's been very hierarchical, who has the biggest title, who, you know, has the corner office, and those are the people we look to for the answers. Well, in this sort of open source environment where companies would have blogs and social networking sites and other opportunities to communicate and learn from each other, those folks may not be the experts. I mean, there may be some guy or woman who no one has ever heard of before that really has tremendous opportunity to provide their insight. It really demonstrates that the collective whole is responsible for the success of the organization, not just the people at the top.

Katherine Moody: Very interesting. It sounds like you could make work environment so much more fun and businesses more profitable to kind of let go of some of the control. And it dawns on me that this would certainly impact how we develop talent. What are you seeing the companies who are in the no on this, who are appreciating it, what do you think companies doing?

Robin Elledge: Oh, yeah. There is a lot happening on the talent development front. It's good you asked about that. For example, I know - I was reading the McKinsey Quarterly sometime within the last year or so and I don't remember the exact statistic but it was over 70%. It was like 71% of companies were actually engaged in some sort of technology, interactive online training methodology. There's a lot of companies who are using that. I mean the cost savings are tremendous.

Oracle for example. I know when they went to develop interactive online learning, they were saving like 90% of their training cost per attendee. So, it definitely has some merit from that perspective. But on top of that, I think - I think the very methodology, the nature of how we do training, is going to change besides just online. There's a lot of interesting, very, very interesting things happening in the world of serious gaming that were immersion experiences. And basically, immersion experiences, it's a merger of art and gaming and social networking, and it takes place across digital space and physical space.

Interesting, for example, it doesn't teach the players. In other words, it's not the traditional model of "I'm the instructor, I'm the facilitator, and I'm going to give you knowledge that you need to know." Truly what it does is it immerses the participants in a complex world where the way forward isn't obvious. In other words, it forces them to act, react, innovate, improvise based on the larger goals of what they're trying to achieve in the context of the game or in the context of the experience. And this is where it becomes really important because it teaches them to be comfortable with ambiguity.

And one of the things I didn't mention in terms of the nature of the business environment, that particular force beyond the economics, there are issues of globalization obviously. We have less face time with people than we used to, and - and this is - I'm going to steal a term from Bob Johansen. He is the gentleman from the Institute for the Future, and he actually got it from the Army War College. But basically, the way they described the future is we're entering into a VUCA World, V-U-C-A, in other words, volatile, uncertain, complex, and ambiguous. So that's what the future is going to be. It's going to be volatile, uncertain, complex, and ambiguous.

And the interesting thing I think is that the - what that means is that we are going to be dealing with dilemmas more than we are with problems, and what dilemmas are are problems that - I mean they basically can't be solved. There is no solution. These are just things we have to learn to live with and deal with. And these immersion experiences, these serious gaming initiatives, they actually teach that better than traditional training.

You know, for example, the military, the FBI have used these sorts of immersion experiences for years because it takes practice to be comfortable in this kind of situations where you don't just freeze and you figure out, "Okay, how can I maneuver through this? How can I take the best advantage of this situation even though I can't solve it, I can't get to the bottom of it?" But beyond obviously the military, which is where a lot of this came from initially, there are medical examples where medical students are being thrown into these immersion situations and the patient's symptoms change constantly and they have to react to those changes.

Another example is where, you know, a teaming experience, an immersion sort of teaming experience where they finally realize sort of these "aha" moments that come with it. Students themselves realize that the only way to maintain power over others is not to use it, which is a very powerful lesson. It's not something you can just tell people, you know. They kind of have to embrace it.

Katherine Moody: It's interesting. I love the concept of being productive while in a state of ambiguity.

Robin Elledge: Yeah. And, you know, there's actually an organization. I think it's called the Serious Gaming Initiative. They have a website and whatnot. And it's all people who are developing games for not just business purposes by the way. The Institute for the Future has one to assess how people react in various future-focused scenarios. There is actually games being conducted for, you know, conflict situations or happenings throughout the world like the Palestinian and Israeli conflict and whatnot. So it's being used in a number of different ways. And I do think it has application in business. I think that we'll see more and more of that sort of training.

Katherine Moody: Oh, fascinating. It's really fascinating. And so, Robin, you talked a little bit about the training given these forces converging and the changes and the methodology. So would you tell us a little bit about what you see needs to be changed in terms of the content of this training especially if we're going to be teaching leaders how to be successful in this intersection, which is eventually going to be the whole world?

Robin Elledge: Yes, absolutely. I mean, I think that there's a lot of implications, a few that jumped out of my mind. And by the way, on all of these things that we're talking about, I do not perceive myself to be an expert. There are so many people who are so much more knowledgeable than me. I'm just sort of an interested bystander who is sort of watching what's going on. But it's - but I think having a dialogue about these things is important.

But a few that jumped out of my mind - you're really asking about competencies I think, what are the competencies in the future.

Katherine Moody: Yeah, yeah.

Robin Elledge: And the first one I think that jumps out is dilemma flipping, and that again is a Bob Johansen word. In fact, he wrote a book. It's called "Leaders Make the Future," and it actually discusses a number of what he perceives as the leadership skills that will be

needed in the future. But one that really stood out to me was the thing he called "dilemma flipping," which is basically the ability to turn dilemmas into advantages and opportunities so that we can resist jumping to a premature conclusion and so that we focus on the strategic intent. In other words, what's the purpose of what we're trying to do, what's the - and we can give some guidance on sort of the overall global methodology and state what our inner state should look like, so that has to be crystal clear. But beyond that, we have to give people the freedom and the flexibility to innovate within the boundaries of that intent. Anyway, that's sort of part of dilemma flipping.

And interesting by the way, back to the gaming thing, for all of us who are parents who have, you know, sort of said, "Oh, my God! Why is our kid spending so much time on Xbox," or, you know, "World of Warcraft," or whatever it maybe, what a lot of the researchers found is that these games have taught the kids. I mean, there has been some value because these games put them in situations of dilemmas all the time and there are no answers, there are no problems, and they have to group up and team together to figure it out and figure out on the fly if you will and to be comfortable in this state of ambiguity. So, I think that - that that is a skill set that those of us who don't come from that generation just we're going to have to pick up along the way.

Obviously, integrating and leveraging the talent of diverse and dispersed individuals, sort of reverse mentoring I think is important here where people from the Baby Boom Generation actually have things to learn from Gen Y's and Millennials in terms of how to use some of the social media and other things that we're encountering. I do think also that leaders really need to be able to be clear. In other words, there needs to be a skill set involved in clarity which is how do you see through methods and contradictions to a future that others can't see. In other words, it feels chaotic. It looks chaotic. And - but as a leader of an organization, a leader of a team, you've got to be able to cut through it all and get to the bottom line and be able to see exactly what - what it is that we need to do and be flexible then again about how it gets made.

Katherine Moody: Terrific, terrific. I think that being flexible in how we get there is certainly something that those of us who might be reluctant to admit but are a member of the Boomer Generation, that flexibility and how you get there is certainly something that we could be reverse-mentored with the Millennials because they seemed to be so comfortable with that.

Robin Elledge: Yeah, they do actually. And in fact, you know, that's where all this intersection of the forces comes in. The Millennials and the Gen Y's will insist on it so, to those - to the extent that companies don't yet have a large population of Millennial employees over the next ten years if you will. And so, if we don't provide them that opportunity to participate at a very meaningful level, they will leave and go elsewhere.

Katherine Moody: So talk to us a little bit about the impact. I know earlier you've said that they have different expectations and Boomers are creating, you know, having different expectations these days as well. What impact does that have on how work is set up?

Robin Elledge: Oh, yeah. There is a lot of interesting things about alternative work arrangements that are taking place, contract workers, temporary assignments, consulting engagements. Those are going to be more and more prevalent. And that - there's huge HR implications on that because, you know, how do we attract contract workers who don't get benefits? I mean, what sort of message does that send? How do we engage them in the, you know, culture of the organization? You know, I've been for example consulting for a

company for the last four months and I probably - I anticipate another four to six at least. And so, how - how is it that I get engaged in the organization with a mindset of an employee even though I'm not an employee for example?

But beyond that, I think that - for example, I'll give you two really good examples, one that's well known. I don't think the other is as well known. The first is Best Buy which has this results-only workforce which basically says a large percentage of the workforce, not all but many can pick their work hours. So if you want to go, you know, hunting or fishing or see your kid's soccer game at 3:00 in the afternoon, you can go. If you want to go see a matinee, you know, in the afternoon and take your, you know, spouse or your significant other to a movie at 3:00 in the afternoon, go. How about it? You just need to get your work done. And so really, they manage people completely and 100% around result.

And the other example which I've learned recently is SCAN Health Systems which is in Long Beach, California. SCAN Health Plan I think is actually the name of the company. They are doing some really interesting things about home-based workers. About 30% of their workforce right now is home-based and, you know, they've sort of been integrating people and moving people to their homes over a long period of time. And this by the way is not a millennial workforce. They have an older workforce, and they also are not engaged in anything that I would consider sort of leading [Indiscernible] [0:28:57] social media standpoint. Their sole motivation - well actually I think they had two motivations in going down this direction - is one is cost and the second is employee retention, employee retraction and retention.

And from a cost standpoint which again is one of these forces we talked about, the, you know, economic forces, they are in the healthcare industry. Obviously, with all of the changes that are happening in healthcare, it has caused this industry to sort of reevaluate itself, you know. And so basically, they realized and they, by the way, are on the heavily government-funded side of healthcare. They basically are a senior healthcare organization and their sole mission - they're non-profit and their sole mission is to keep seniors in their home as long as possible to minimize the hospital visits and so forth, which is a cost savings initiatives in and of itself.

But they just recognized they have to cut cost, and so, they consolidated offices, they moved people together, they got out of leases. The offices that people do have, the people who do need to be based at the corporate office, they're much smaller in size so a senior vice-president doesn't have this huge mega office like, you know, in the days past. There's a lot of community workspaces. So it's improved collaboration. It's improved teamwork. It's improved a lot of things. But on top of it, they have this large workforce now that works from home. And you can imagine the human resources implications there because in addition to the sort of the logistics issue which I think is an easily, you know, accomplished one, you've got people now who have very little face time. How do you for example mimic the water cooler conversations, the hallway conversations that used to take place? 'Cause a lot of business gets done and those sort of casual informal conversations.

And on top of that, they're actually finding that employees don't feel as recognized in that kind of situation. They have - at SCAN, they have an informal recognition system where people can nominate peers and so forth for recognition. Well, when no one sees what you're doing, how do they know? How do they know to nominate you? So - and this is just one company's example, but I do think there's a lot of systems and processes that will need to be reevaluated because I think SCAN is ahead of the curb. I think

there's going to be more and more situations where employees are working from alternative sites.

Katherine Moody:

It's really fascinating. In all of those questions that you bring up, dilemmas perhaps that need to be answered, I think HR is going to have an opportunity to play a key role. I can't think of any function in an organization that I would like to be involved in leading the answering of the questions or solving of those dilemmas more than HR. So I can see how this could - it's been a really exciting time and what HR can do, how they can leverage this, how all of this can really be an opportunity for HR is going to be the subject of Part II of our podcast and I'm very excited to hear what you have to say about that.

One thing I know that you've said, Robin, is this quote from Peter Coffee from Force.com where he says, "We're not multinational, we're post-geographic." Would you interpret that for me, please?

Robin Elledge:

Oh, sure. I just - yeah. He is - Peter Coffee is actually very well known in the interactive world, the internet world, and so forth. He used to publish a magazine in that arena and now he works for force.com which is one of the big players in cloud computing. And I went to a CIO meeting actually. I was one of the only non-techies in the room and it was interesting to hear what they had to say. But he - he was actually quoting someone else, but he - and I don't recall off the top of my head who he was quoting, but he said this. He said, you know, "We're not multinational, we're post-geographic," which basically, it gets to the whole globalization force if you will that, you know, it's not really about what country that you're in. I mean, the globalization of our economies and our companies and our industries have - has gotten to the point where you can't pay attention to, you know, sort of what part of the world that you happen to be residing in today. It's really about achieving business results, you know, regardless. So, let's not talk about that. You know, we're post-geographic. We're post - we're past that point. So, that was sort of his interpretation of it. I thought it was a great quote.

Katherine Moody:

Okay. Interesting, interesting. So, I hope all of you will join us for Part II where Robin is going to share how as HR leaders you can leverage the role that you can play so that businesses will be able to capitalize on this collision. So thank you all and we'll see you in Part II of our podcast, the 4-Force Collision and the Implications for HR.