

October 1, 2011



Welcome to the Change Challenge Newsletter

Welcome to the October issue of The Change Challenge. The start of the 2011-12 school year has refocused attention on upgrading our public schools - but the challenge is much broader than that. To build a lasting economic recovery, the U.S. must create millions of jobs in new industries and educate our people to fill them. Doing that is the subject of the feature article titled "**Life-Long Education.**"

This month's Leading Change article titled "**Shaping the Future**" suggests we need a clear purpose to succeed in today's rapidly changing world. Otherwise, we'll move aimlessly as we perform routine tasks and react to the profusion of information we receive every day. The Personal Change article titled "**The Journey**" asserts that only one in five people choose a job because it advances them toward specific career goals, and it offers a better way of looking at your job choices.

Your feedback and recommendations to improve this e-letter are always appreciated via return email or *The Change Blog* at www.dickstieglitz.com.

Dick Stieglitz

Issue: 41



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This Month's Articles

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**Buying or selling a
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Feature Article

LIFE LONG EDUCATION

To maintain its position as the world's most innovative economy, the U.S. must create millions of jobs in new industries and educate people to fill them! The \$447 billion so-called jobs bill that cuts payroll taxes, extends unemployment, and builds bridges and schools does neither. A national educational policy from Congress would help, but such a policy is as unlikely as a FY2012 Federal budget or a national immigration policy, energy policy, or transportation policy. But I digress - we're talking about education. Educating people means more than K-12 improvements and access to college, it requires a life-long training system that includes:

- A revitalized Head Start Program for pre-school kids,
- Vocational options in grades 9-12,
- Mandatory retraining linked to extended unemployment benefits, and
- Career refreshment training like CPAs and attorneys already have.

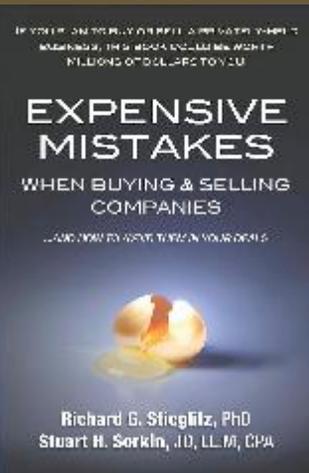
Unfortunately, today's school reforms are driven by educational administrators trying to cut budgets, politicians seeking reelection, and religious leaders spreading their beliefs - who is focusing on training people to prosper in a changing world.

U.S. Education Fall Behind. We are in a fast-paced, technology-driven era, yet our educational system is an industrial-age relic. In the industrial age, learning pretty much ended when we finished high school or college. That model worked okay when people had the same job for their entire life. But it fails miserably in an economy where new technologies obliterate entire industries and leave workers unemployed with antiquated skills. In campaign speeches, President Obama says: "*America won't settle for #2.*" But in fact the U.S. ranks #11 in Newsweek's list of the top 100 countries. American students lag behind students in Singapore, Canada, Japan, Taiwan, South Korea and five other countries in standardized math and science tests. Referring to the College Board's grim report of a steep decline in Americans completing college, Arne Duncan, U.S. Secretary of Education, said: "*We've flat-lined while other countries pass us by.*" Once the world leader by a wide margin, in 2009 the U.S. dropped from 12th to 16th in that category. "*The country that out-educates us today will out-compete us tomorrow,*" Duncan added. A McKinsey study agreed: "*the widening gap in education between the U.S. and other countries is the economic equivalent of a permanent recession.*" China, graduates more engineers every year and registers more patents than the U.S., two factors that will propel their GDP past the U.S. by 2018.

Recruiting & Rewarding Teachers. Multiple studies show the quality of teachers is more important to learning than budget-per-student, class size, or curriculum. You'd think that would push Congress to make U.S. teachers the best in the world. The problem starts long before a teacher enters their first classroom. In Singapore, the mandatory teacher training program (the U.S. has no equivalent) only accepts teachers who graduate in the top third of their class. In the U.S., only 23% of 2010's new teachers were in the top third. One issue is evaluating teacher performance to reward good teachers and fire bad ones. *Race-to-the-Top*, a \$4.3 billion program funded under the 2009 Stimulus Act, rewards states that evaluate teachers in better ways. In addition, billionaires like Bill Gates and Mark Zuckerberg have made huge donations to public schools to promote pay-for-performance programs. They believe merit pay creates the same incentives for teachers that bonus programs do in the private sector. Such cooperation between government agencies and businesses give cause for hope, but states are ignoring the *No Child Left Behind Act* because Congress has not fixed the parts that don't work.

Problems Begin at Home. But don't expect teachers to work miracles. There is little a teacher can do about challenges students face at home such as abuse, single-parent households, and mental health issues. The growing poverty rate exacerbates the problem because poverty limits a child's ability to learn in subtle ways like untreated eyesight or hearing problems, and chronic asthma. Attacking teachers helps people feel like reformers, but the problems begin before children go to school. So life-long education starts by helping pre-schoolers in struggling families.

lucrative but risky transaction

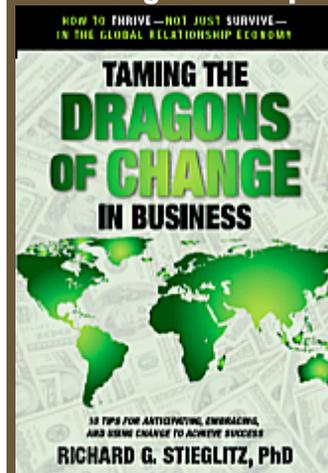


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Are Charter Schools an Answer? President Obama favors charter schools (taxpayer-supported schools that operate outside the public school system) and wants more. He said: *"state limits on charter schools aren't good for our children, our economy, or our country."* About 1.5 million children, roughly 3% of all students, currently attend charter schools. Nationwide, nearly half of all charter schools have test scores the same as the local public schools; one-third have results that are worse; and 20% outperform nearby public schools, especially in cities - but that's related to the students they attract. Charter school students are generally highly motivated - after all, their parents endured a difficult admissions process to get them in. But preferentially having better students in charter schools may leave inner-city public schools with students who are less able to learn and most susceptible to dropping out. Charter schools may have a role, but they're not a panacea.

The University System. Today, U.S. colleges are the best in the world - they hold the first five spots in the Times' Higher Education Rankings, and 18 of the top 25 spots. U.S. colleges employ 70% of the living Nobel prize-winners in economics and science, and publish many of the articles in prestigious academic journals. Their excellence enables U.S. colleges to attract extraordinary numbers of foreign students who pay full tuition. So where's the problem? We're educating the world at the expense of our own children! For decades, college costs have grown faster than American's ability to pay them. Household income has grown 6.5 times since 1970, but the cost of attending a public college has increased 15 times for in-state and 24 for out-of-state students. Like governments, administrative costs per student have skyrocketed by 300%; and like businesses, many college presidents act like corporate CEOs with annual salaries, perks and staffs to match.

Attracting the Best & Brightest. Unfortunately, the U.S. won't be the world's largest economy much longer - China's climb to #1 is inevitable. That isn't a problem in itself, except it means the U.S. can no longer rely on its massive economy to attract the world's brightest and most ambitious entrepreneurs - they have other options. The U.S. needs to create several new industries that employ millions of people each to get us out of the current mess - and smart immigrants would help. Since 9/11, we've made it very hard for them to immigrate. A good place to start is for Congress to endorse the idea that every non-citizen who earns a college degree in the U.S. will have a green card stapled to his or her diploma. The cost of that would be zero and the impact on job creation would be enormous.

Reduced Emphasis on College. "Go to college!" has been a mantra in my family for generations; but with rising costs and changing jobs, a 4-year degree doesn't work for everyone. A recent Harvard report argued that trade apprenticeships, vocational training, and technical training outside classrooms would grow the U.S. economy and reduce unemployment. Many of the four million job openings that have been unfilled more than 30 days require technical training, - not a 4-year degree. Public school systems and businesses must cooperate to offer vocational and technical training in high school, augmented by work-study programs. This approach will provide some income and show high school students what businesses want.

Unemployment and Re-Education. Bureau of Labor Statistics (BLS) projections confirm the need for alternative educational programs. For example, food service and financial examiners are among the professions the BLS projects will provide many new jobs - neither requires a college degree. Health care is another industry with favorable job creation prospects. As pressure to reduce costs intensifies, tasks previously performed by doctors and nurses are now done by physician assistants, medical assistants, and physical therapists. Unemployment is the Achilles heel of the U.S. economy right now, so job creation must be the focus of educational initiatives. Some job hunters are adapting by settling for positions that don't pay as much as their old jobs or that require new skills. This is where enlightened government policies could help. Specifically, anyone unemployed beyond the core 26 weeks should be required to participate in training as the condition for extended unemployment payments. Further, businesses should provide training that suits their employment requirements -

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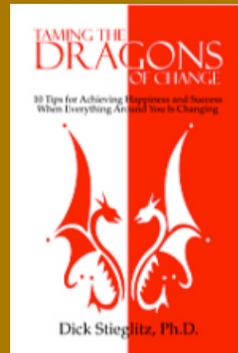
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**TAMING THE DRAGONS
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10 Tips For Achieving Happiness
and Success When Everything
Around You Is Changing

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Make Education a Game. One popular reform is making learning an entirely on-line experience and declaring textbooks to be obsolete. In professional training, on-line media have widely replaced classrooms. From pre-school to grad-school, students find on-line training more engaging because it cultivates imagination, curiosity and gamesmanship - three features missing in the old-fashioned textbook-and-test model. These three features are common in the multi-player, role-playing games that my grandsons are hooked on. In on-line media, learning and testing happen concurrently as students find, evaluate and share information. Unlike midterms and final exams, games encourage trial-and-error and make learning fun. Basic subjects such as math, science and social studies fit neatly into a virtual-game world - and reading skills improve as a by-product. Furthermore, students learn problem-solving, rule-based thinking, and strategic planning skills that are difficult to get out of a textbook. Admittedly, discussion subjects (e.g., humanities) are a stretch. For example, it will be more difficult to grasp the subtleties of Shakespeare's "Julius Caesar" in an on-line environment. Gamified learning is still experimental, but it illustrates the kind of improvements our educational system needs to revitalize the economy and re-employ Americans in today's technology-driven times.

Leading Change

SHAPING THE FUTURE

Imagine your neighbor loading suitcases into his car. You walk over and say: *"Hi. Looks like you're taking a trip. Where are you going?"* He answers: *"I'm heading west."* Somewhat surprised by the vague reply, you inquire: *"Why are you going?"* And he responds: *"Nothing better to do."* You follow-up with: *"How long will you be gone?"* He says: *"I'm not sure - just until something better shows up."* Few of us would plan a trip that way, but many of us plan our organization's future and our careers like that imaginary neighbor planned his trip.

Having a clear purpose in today's rapidly changing world is essential for success. Otherwise, you'll move aimlessly doing routine tasks and reacting to the profusion of information that comes at you every day. Leading without a clear purpose, you pursue short term goals that seem worthwhile at the time. But soon years pass and your organization hasn't advanced as far as it should. You see other organizations making extraordinary progress, and they seem to be doing the same things you are. You attribute your lack of progress to bad luck when, in fact, it's lack of purpose.

The possibilities in a technology-driven economy are endless: information security, public service, the military, health care, biotech, nanotech, education, law, and education to name a few. But none will produce success or satisfaction until they satisfy a why inside you and your people. Your purpose is why you pick a goal: to serve others, to teach others, to cure others, to help others, to defend others. The why provides criteria for your decisions and actions. If you haven't already, you will soon find that revenue and profits (income on a personal basis) by themselves don't produce fulfillment. Instead, they are the bi-product of doing an important why very well. When you make your purpose clear to yourself and everyone around you, you enable them to give you the help you need to succeed.

Personal Change

THE JOURNEY

When interviewing potential new hires, one of my favorite questions is: *"What is your career goal, and how can we help you achieve it?"* Candidates usually respond with a vague answer about rising to a top management position or learning a new skill. However, one interviewee answered quickly and clearly: *"Government service is my purpose and my goal is to serve in a Senior Executive Service (SES) position. Working for your company, I expect to learn more about how government agencies operate and how they change to meet new requirements."*

We hired him. He was an exceptional leader - terrific at satisfying clients and motivating his people. I helped him toward his goal by introducing him to SES who had done what he planned to do: work in industry and then shift into

government service. After four years, he left the company to take a GS-15 position in a government agency, one step below SES but well positioned to move up. I'm confident that he will be an SES soon.

In my experience, roughly one in five people choose a position because it advances them toward a specific career goal. Most resumes I review list prior positions like steps on a ladder to nowhere. Such candidates are usually job-hoppers who may be highly skilled, but a larger paycheck, a more interesting project, or a better boss is why they are looking for a new job.

My follow up question during interviews sometimes is: "*What are your strengths, and how can they be expanded?*" or "*What are your weaknesses, and how can they be reduced?*" If the candidate looks back with a quizzical stare or answers in terms of improving some skill, I conclude they have no idea what their strengths or weaknesses are. Are you aware of your strengths and weaknesses? Stop thinking of your career as a series of loosely related jobs. Instead, view it as a journey of learning experiences that amplify your strengths, ameliorate your weaknesses, and enable you to fulfill your purpose.

Friends & Colleagues,

If you are wondering how to create a learning organization where you work, contact me to discuss the possibilities. If you found this e-letter to be interesting and useful for yourself, forward it to a friend. If not, let me know why at dick@dragonsofchange.com.

Until next month,

DICK