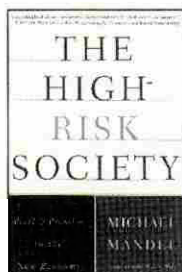


THE HIGH-RISK SOCIETY: PROMISE AND PERIL IN THE NEW ECONOMY

BY MICHAEL J. MANDEL



The Economic uncertainty caused by downsizing, global competition, rapid technological changes, and government deregulation has created an atmosphere of anxiety and pessimism

among Americans. In fact, Michael Mandel claims that this uncertainty, which manifests itself in such trends as conservative investing and heavy insurance premiums, costs Americans the equivalent of \$575 billion a year.

Nevertheless, the same forces that are creating widespread insecurity are also responsible for a new era of growth and abundance, says Mandel.

That paradox is the underlying theme of *The High-Risk Society*, which claims that individuals and businesses must embrace risk in their career and business decisions in order to thrive in the 1990s and beyond.

The book asserts that the old rules for success do not work in an economy where the sources of growth are also the sources of uncertainty. The new rules for economic success are modeled after the financial market. This means that the high uncertainty and unrestricted competition of Wall Street now apply to the entire economy. Mandel explains that the stock market, bond market, and all the various commodity and derivatives markets share these four fundamental characteristics:

- ▶ uncertainty of rewards
- ▶ ease of entry
- ▶ widespread availability of information
- ▶ rapid reaction to profit opportunities.

Those characteristics, says Mandel, are also true of the real economy.

In this high-risk society, workers, businesses, and countries must start thinking like investors in financial

markets, where the only way to consistently achieve success is to accept risk, says Mandel.

In chapter 3, "Anxiety in an Age of Abundance," Mandel explores four forces of economic growth: foreign trade, rapid technological change, corporate restructuring, and government deregulation.

The volume of foreign trade, both imports and exports, has skyrocketed in the 1990s by more than three times the growth of the U.S. economy as a whole. This means that both workers and companies are more susceptible to foreign competition, says Mandel.

The second force, technological change, includes falling computer prices and enhanced communication. Although this force is helping companies cut costs on existing products, it is also "exposing workers to new threats of being replaced and eliminated."

Corporate restructuring, which is the third economic force, includes reengineering, outsourcing, and downsizing. All of those changes in the workplace can lead to increased insecurity for workers.

The last force is government deregulation. An example of this trend is the recently deregulated telecommunications industry: "The removal of the regulatory hand allows companies to move into new markets, intensifies competition, and ultimately benefits consumers. But the trade-off is that these companies, once protected, are now exposed to outside competition. As a result, every deregulated industry experiences massive upheavals as companies adjust to the new freedom."

Mandel doesn't just espouse theories, he provides specific guidelines for how to survive and perhaps prosper in a high-risk society. These are his recommended career strategies:

- ▶ Try to break into a high-tech or information industry.
- ▶ Look for work in an industry that is exposed to the global marketplace.
- ▶ Invest the time, tuition, and loss of income it takes to earn an advanced degree. That may dramatically boost

your earning power.

- ▶ Start your own business, work as a freelancer, consultant, or subcontractor.

In chapter 6, "Riding the Technological Tiger," Mandel describes a few high-risk, high-return occupations including computer repair technician, college professor, and librarian. He also suggests ways to take advantage of technology instead of fearing it.

For managers and organizational leaders, Mandel suggests these ways to benefit from the high-risk society:

- ▶ Don't be afraid of expanding into global markets.
- ▶ Adopt new technologies as quickly and as boldly as possible.
- ▶ Focus on deregulated industries, where competition is fiercer but the profit potential is greater.

In chapter 7, "The Restructuring of American Business," Mandel explains that organizations must change their attitudes and "embrace the risk of organizational innovation in order to achieve higher profit and better jobs." He explores several high-risk managerial strategies such as reengineering and outsourcing. He also looks at alternative careers such as temporary and part-time work, self-employment, or starting a small business or a consulting practice.

At the end of his book, Mandel warns readers that the high-risk society is here to stay and those of us who don't adjust will suffer:

"The high-risk society is not going to disappear. If anything, it is going to intensify. Americans will have to learn how to live with risk and uncertainty. Instead of aspiring to a life of security, it will be necessary to adjust to living in a society where prosperity and uncertainty go hand in hand, where unpredictability is the rule rather than the exception..."

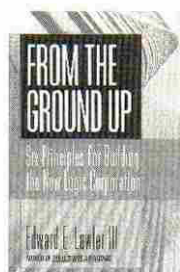
Bottom line: A perceptive look at the changes in America's financial and economic landscape, along with advice about how to succeed in an age of uncertainty.

The High-Risk Society, by Michael J. Mandel. 227 pp. New York, NY: Times Books. 212/572-2872. \$25.

Circle 247 on reader service card.

FROM THE GROUND UP

BY EDWARD E. LAWLER III



In *From the Ground Up*, Edward Lawler tells the unsettling true story of production-line workers that become so bored or resentful of close supervision that they devise ways to sabotage

products without being caught.

To prevent those and other potentially dangerous occurrences, Lawler sets out six principles for building what he refers to as, "the new logic corporation." Lawler, who also wrote *The Ultimate Advantage*, gives managers and senior-level executives six firm foundation blocks based on logic. Leaders will need such principles, says Lawler, to transform their organizations.

Here are the six principles:

- ▶ Organization is the ultimate competitive advantage.
- ▶ Involvement is the best source of control.
- ▶ All employees must add significant value.
- ▶ Lateral processes are crucial to organizational effectiveness.
- ▶ Organizations should be designed around products and customers.
- ▶ Effective leadership is the key to organizational effectiveness.

Lest you think that you don't need to read the book now, Lawler goes on to explain exactly how to scuttle old, ineffective structures and practices to make way for innovative and successful approaches. Basically, companies that follow the six principles eliminate hierarchy, tie pay to performance, and allow front-line employees more responsibility. Such corporations also supply employees with more information about company goals, making it possible to move forward quickly when the market changes.

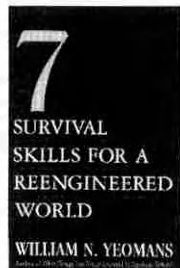
Bottom line: This book goes beyond one-size-fits-all management fads for a big-picture view of a future direction for organizations.

From the Ground Up, by Edward E. Lawler III. 336 pp. San Francisco, CA: Jossey-Bass. \$27.

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7 SURVIVAL SKILLS FOR A REENGINEERED WORLD

WILLIAM N. YEOMANS



"This book is more than a scare-you-to-death book," says William C. Byham, best-selling author of *ZAPP!* Good to know.

Byham goes on to say that *7 Survival Skills for a*

Reengineered World helps readers put things in perspective and decide on an appropriate course of action. William N. Yeomans, also the author of *1,000 Things You Never Learned in Business School*, wrote *7 Survival Skills* as a reference for managers on career growth and personal fulfillment.

The book offers ideas on how to

- ▶ design bold career strategies
- ▶ increase your value to your organization and in the marketplace through more effective speaking, writing, and listening
- ▶ take charge of your relationship with your boss and get his or her support
- ▶ recognize the warning signs that your organization or your job is in trouble, and find out what to do
- ▶ learn to lead teams and function as a member
- ▶ influence, build relationships, and collaborate with customers.

The scary part is facing up to the tough new workplace: downsizings, outsourcing, high risks, no guarantees, and an uncertain future. Not only that, but bosses that used to guide your careers are now too busy struggling to save their own. But Yeomans's book can help you get a grip with some practical tips that you can apply without much preparation or fanfare.

So, what are the seven survival skills? Actually, there are more than seven, but they do fall into these seven categories:

- ▶ career skills
- ▶ endurance skills
- ▶ communication skills
- ▶ follower skills
- ▶ leadership skills
- ▶ team skills

- ▶ customer skills.

The book has more than a few self-assessment-type exercises (with space to write), and some at-a-glance checklists and charts. They include a personal audit of your CQ (consulting quotient; in other words, do you have what it takes to become a consultant?) and a Present Situation Analysis (in other words, is there something that you should be doing that you're not?).

The book also touches on these areas:

- ▶ the best ways to deal with stress and even use its power to your advantage
- ▶ unexpected truths about management fads and what they can mean to you
- ▶ secrets of how to get more done in less time
- ▶ how to use meetings as your personal showcase
- ▶ how to motivate people even in uncertain times
- ▶ how to create a new and better work relationship with your boss
- ▶ what to consider when thinking about changing your job or starting your own business.

Yeomans likes to organize tips by numbers, which makes it easy for readers to get a quick take—such as *Nine Steps to Better Listening* and *10 Rules of Type-B Influencing*. Some tips are done with humor but still get the points across, such as the *Loser's Guide to Giving an Awful Presentation*.

Yeomans also addresses some topics you might not expect—such as, dress, travel, political correctness, and "excuses."

Bottom line: This book is a reader-friendly survival guide for managers (and others) that can make the new workplace seem less like a strange new world.

7 Survival Skills for a Reengineered World, by William N. Yeomans. 343 pp. New York, NY: Dutton, 212/366-2215. \$24.95.

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Send books to **Books**, Training & Development, 1640 King St., Box 1443, Alexandria, VA 22313-2043.

ADDITIONAL READING

Hardback

Winning Through Innovation, by Michael J. Tushman and Charles A. O'Reilly III. 256 pp. Boston, MA: Harvard Business School Press, 617/495-6700. \$24.95.

Circle 250 on reader service card.

Corporate Tides, by Robert Fritz. 275 pp. San Francisco, CA: Berrett-Koehler, 415/288-0260. \$27.95.

Circle 251 on reader service card.

The Accelerating Organization: Embracing the Human Face of Change, by Arun Maira and Peter Scott-Morgan. 306 pp. New York, NY: McGraw-Hill, 212/337-5945. \$24.95.

Circle 252 on reader service card.

The ASTD Training and Performance Yearbook, by James W. Cortada and John A. Woods. Alexandria, VA: ASTD/McGraw-Hill, 703/683-8100. Order code: RWTP. Priority code: MKA. \$88 (ASTD members); \$90 (nonmembers).

Circle 253 on reader service card.

Paperback

Reach for the Top: Women and the Changing Facts of Work Life, edited by Nancy A. Nichols. 185 pp. Boston, MA: Harvard Business School Press, 617/495-6700. \$13.95.

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Power Speaking: How Ordinary People Can Make Extraordinary Presentations, by Frederick Gilbert. 184 pp. Redwood City, CA: Frederick Gilbert Associates, 800/828-1909. \$15.95.

Circle 255 on reader service card.

The Fourth Wave: Business in the 21st Century, by Herman Bryant Maynard, Jr. and Susan E. Mehrtens. 217 pp. San Francisco, CA: Berrett-Koehler, 415/288-0260. \$18.95.

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Seeing Systems, by Barry Oshry. 208 pp. San Francisco, CA: Berrett-Koehler, 415/288-0260. \$22.95.

Circle 257 on reader service card.

When Corporations Rule the World, by David C. Korten. 375 pp. San Francisco, CA: Berrett-Koehler, 415/288-0260. \$19.95.

Circle 258 on reader service card.

Get a Life Without Sacrificing Your Career, by Dianna Booher. 295 pp. New York, NY: McGraw-Hill, 212/337-5945. \$12.95.

Circle 259 on reader service card.

Analysis for Improving Performance, by Richard A. Swanson. 286 pp. San Francisco, CA: Berrett-Koehler, 415/288-0260. \$24.95.

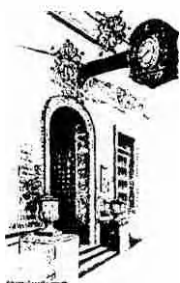
Circle 260 on reader service card.

Designing Training Programs, edited by Jack J. Phillips and Donald J. Ford. 340 pp. Alexandria, VA: ASTD, 703/683-8100. Order code: PHTD. Priority code: LKA. \$35 (ASTD members); \$50 (nonmembers).

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