WHILE WE ALL LONG FOR STABILITY, IT'S READILY APPARENT THAT THE
'80'S ARE DESTINED TO BE A PERIOD OF ECONOMIC INSTABILITY. THE
SYMPTOMS OF THIS INSTABILITY -- INFLATION, UNEMPLOYMENT, AND DECLINING PRODUCTIVITY -- RECEIVE INTENSIVE SCRUTINY.
PREScriptions abound and seem to change with increasing frequency. Some of the recommended palliatives will bring a degree of relief. There will be victories declared when inflation just drops out of double digits -- when the real GNP growth rate is positive rather than negative -- and so on and so on. But none of that will change the underlying causes of our problems -- economic dislocation, energy transition, and inadequate job creation.
EVEN MY COMPANY, BLESSED WITH PARTICIPATION IN THE BASIC INDUSTRY OF THE FUTURE — THE APPLICATION OF ELECTRONIC TECHNOLOGY — FACES UNPRECEDEDENT DEMANDS TRIGGERED BY THE RAPIDITY OF TECHNOLOGICAL CHANGE, THE EVER-INCREASING CAPITAL INTENSITY OF EACH NEW JOB, AND THE IMPACT OF JAPANESE COMPETITION IN THE WORLD MARKETPLACE. IT NETS DOWN TO AN ENORMOUS NEED FOR ALL COMPANIES TO INCREASE PRODUCTIVITY BY EVERY POSSIBLE MEANS.

THE '80'S ARE GOING TO BE A PERIOD OF TRANSITION — AND THE TRANSITION DEMANDS MUCH MORE THAN NEW PRODUCTS, OR NEW MARKETS. IT WILL HAVE TO INCLUDE A MORE INTENSIVE USE OF CAPITAL, MORE TECHNOLOGICAL COOPERATION BETWEEN COMPANIES, AND ABOVE ALL A DEGREE OF TECHNOLOGICAL INNOVATION UNSURPASSED IN HISTORY. THE MOST ESSENTIAL INGREDIENT IN THAT REGARD IS
PEOPLE, AND WE THEREFORE HAVE THE TASK OF CREATING A HUMAN
RELATIONS ENVIRONMENT WHICH WILL FOSTER DEVELOPMENT OF THE
NEEDED INNOVATION.

FROM ITS VERY BEGINNINGS 25 YEARS AGO, CONTROL DATA HAS HAD AN
UNUSUAL RESPECT FOR THE PRODUCTIVE CAPACITIES OF INDIVIDUALS
AND TEAMS OF INDIVIDUALS. THE COMPANY WAS CREATED BECAUSE ITS
FOUNDERS FELT COMPELLED TO LEAVE AN ENVIRONMENT THEY FOUND
STIFLING. THROUGH THE YEARS, OUR VENTURES INTO NEW BUSINESSES
AND OUR ABILITY TO SURVIVE ROUGH PERIODS HAVE BEEN DUE IN LARGE
PART TO THE INNOVATION AND DEDICATION OF OUR PEOPLE. FOR A
LONG TIME WE WERE SMALL AND THE PRESENCE OF THOSE QUALITIES IN
A MERE HANDFUL OF PEOPLE SUFFICED. TODAY, WE ARE NOT -- AND WE
MUST ENGENDER THEM IN THOUSANDS OF PEOPLE.
TO ACCOMPLISH THIS UNUSUAL TASK REQUIRES AN UNUSUAL APPROACH —
AND UNUSUAL RESOURCES AS WELL. SO, TO BEGIN THE PROCESS, IT WAS
NECESSARY TO HAVE A WRITTEN "PEOPLE" STRATEGY JUST AS WE HAVE
WRITTEN BUSINESS AND PRODUCT STRATEGIES. THE STRATEGY
RECOGNIZES THE NEED FOR GREATER PRODUCTIVITY AND THE
CIRCUMSTANCES REQUIRED TO OBTAIN IT. BUT I MUST EMPHASIZE THAT
IT IS NOT A "PRODUCTIVITY" STRATEGY. IN FACT, WE ARE CONVINCED
THAT, IN MOST INSTANCES, ANY PROGRAM WILL FAIL WHICH HAS
"PRODUCTIVITY IMPROVEMENT" PER SE AS ITS STATED PURPOSE.
RATHER, OUR OBJECTIVE IS TO CREATE A CULTURE CONDUCIVE TO
INNOVATION AND RISK TAKING, A CULTURE WHICH ENCOURAGES TEAMWORK
AND INDIVIDUALITY, — AND A CULTURE WHICH REWARDS THE TENACITY
TO MANAGE IDEAS THROUGH TO IMPLEMENTATION. PRODUCTIVITY WILL
BE AN INEVITABLE BY-PRODUCT OF SUCH A CULTURE.
WE BEGAN DEVELOPING THE "PEOPLE" STRATEGY BY EXAMINING OUR PAST — WHAT FACTORS ACCOUNTED FOR THE INNOVATION AND PRODUCTIVITY WHICH CHARACTERIZED OUR FIRST 25 YEARS. BUT WE ALSO LOOKED AT CHANGES WHICH HAVE TAKEN PLACE ELSEWHERE: IN EUROPEAN LABOR RELATIONS; IN JAPAN; AND IN THE ATTITUDES OF A YOUNGER LABOR FORCE IN THE UNITED STATES.

THE TOP 300 PEOPLE AT CONTROL DATA THEN ENGAGED IN A PROCESS OF IDENTIFYING THOSE PRINCIPLES WHICH HAD SERVED US WELL IN THE PAST AND THOSE WHICH SEEMED TO BE MOST RELEVANT IN THE WORLD AROUND US. WE DISTILLED THEM DOWN TO FIVE BASIC PRINCIPLES — AND LAST MONTH, IN OUR ANNUAL REPORT, WE DESCRIBED THEM TO OUR EMPLOYEES, STOCKHOLDERS, AND THE PUBLIC FOR THE FIRST TIME:
1) CONTROL DATA WILL PURSUE A POLICY OF PROVIDING AN INCREASING LEVEL OF JOB SECURITY TO THE GREATEST NUMBER OF ITS EMPLOYEES.

2) WE WILL PURSUE MANAGEMENT PRACTICES WHICH ENSURE FAIR AND JUST TREATMENT OF ALL EMPLOYEES.

3) WE WILL PURSUE MANAGEMENT PRACTICES WHICH PLACE A HIGH VALUE ON REWARD FOR PERFORMANCE.

4) WE WILL PROVIDE AN ENVIRONMENT CONDUCIVE TO SELF DEVELOPMENT AND ACHIEVEMENT BEYOND THE REQUIREMENTS OF CURRENTLY-HELD POSITIONS.

5) AND, FINALLY, WE WILL PURSUE THE DEVELOPMENT OF CORPORATE BENEFITS AND SUPPORT SERVICES WHICH RECOGNIZE THAT PERSONAL QUALITY OF LIFE INFLUENCES JOB PERFORMANCE.
WE RECOGNIZE THE DANGERS IN PROMULGATING SUCH BROAD STATEMENTS OF PRINCIPLE. THEY CARRY WITH THEM A GREAT RISK. THE BEST OF INTENT BY TOP MANAGEMENT; THE MOST ENLIGHTENED CORPORATE BENEFITS; THE CLEarest COMMUNICATIONS; ALL WILL APPEAR HYPOCRITICAL IF THEY ARE NOT EXPERIENCED BY EMPLOYEES IN THEIR DAILY WORK ENVIRONMENT. THE TRUE TEST OF OUR PRINCIPLES IS WHETHER 60,000 EMPLOYEES IN APPROXIMATELY 750 LOCATIONS IN 47 COUNTRIES, UNDER THE SUPERVISION OF 6,000 MANAGERS, WILL RECOGNIZE THEM AS ACTIVELY GUIDING THEIR WORKING RELATIONSHIPS.

IN ORDER TO CONVERT OUR GENERAL PRINCIPLES INTO CONCRETE TERMS, THEREFORE, WE BELIEVE THE HUMAN RELATIONS ENVIRONMENT WE ARE ATTEMPTING TO CREATE CAN BEST BE ARTICULATED AS A PARTNERSHIP -- A PARTNERSHIP REQUIRING A COMMITMENT FROM THE COMPANY AND THE EMPLOYEE.
THE COMPANY'S SIDE OF SUCH A PARTNERSHIP IS EASIER TO ENVISION:

IT CONSISTS OF HUMAN RELATIONS POLICIES; ORGANIZATIONAL
CONCEPTS AND PRINCIPLES; EDUCATION AND TRAINING PROGRAMS;
INVESTMENT IN TOOLS -- BOTH PHYSICAL AND KNOWLEDGE-RELATED; AND
COMMUNICATION PROGRAMS. TIME DOESN'T PERMIT AN EXTENSIVE DISCUSSION OF THESE FIVE COMPONENTS OF THE COMPANY'S PART OF
THE PARTNERSHIP, BUT LET ME GIVE A FEW EXAMPLES.

IN THE AREA OF HUMAN RELATIONS POLICIES --

THERE IS --

EAR -- A 24-HOUR-A-DAY, SEVEN DAYS A WEEK COUNSELING SERVICE FOR EMPLOYEES AND THEIR FAMILIES. EAR DEALS WITH
BOTH WORK-RELATED AND PERSONAL PROBLEMS AND HAS SERVED
40,000 PEOPLE SINCE IT WAS INTRODUCED IN 1974.
FLEXIBLE HOURS -- TO HELP EMPLOYEES BETTER SERVE PERSONAL AND FAMILY NEEDS, AND TO LET PEOPLE WHO CAN'T COMMIT TO FULL-TIME WORK GET THE JOBS THEY BADLY NEED.

STAYWELL -- A HEALTH AND LIFESTYLE EVALUATION WHICH HELPS EMPLOYEES IDENTIFY THEIR INDIVIDUAL HEALTH RISKS, AND LEARN SKILLS WHICH CAN ADD YEARS TO THEIR LIVES.

EMPLOYEE REVIEW PANELS -- A VOLUNTARY FORM OF ARBITRATION WHERE PEERS CAN REVIEW AND ARBITRATE EMPLOYEE GRIEVANCES.

EMPLOYEE DEVELOPMENT PROGRAMS -- AIMED NOT ONLY AT CURRENT POSITIONS, BUT AT PREPARATION FOR CAREERS, INCLUDING THE BUILDING OF BRIDGES TO PERMIT NON-EXEMPT EMPLOYEES TO PREPARE FOR EXEMPT POSITIONS. FOR THE PAST SEVERAL YEARS, WE HAVE SPENT MORE THAN A MILLION DOLLARS A YEAR ON THE DEVELOPMENT OF COMPETENCY-BASED COURSEWARE AIMED AT GENERAL CAREER DEVELOPMENT.
BUT PERSONAL DEVELOPMENT, AS WE ALL KNOW, IS MUCH MORE THAN
A MATTER OF TRAINING. MOST CRUCIAL IS THE PERSPECTIVE AND
MOTIVATION THAT RESULTS FROM A WIDE VARIETY OF
EXPERIENCES. IN TODAY'S CORPORATE WORLD IT IS FAR MORE
LIKELY THAT PEOPLE GET NARROWER AND DULLER RATHER THAN
BROADER AND MORE MOTIVATED. IN THIS REGARD, TWO YEARS AGO
WE SET UP A NEW DATA BASE, STARTED A NEW BUSINESS, AND
ADOPTED A NEW POLICY. THE DATA BASE WAS CALLED THE "TALENT
POOL". EACH EMPLOYEE CAN ENTER DATA WITH REGARD TO
INDUSTRIES, DISCIPLINES, MARKETS, OR OTHER INTERESTS WITH
REGARD TO WHICH THEY WOULD LIKE TO DO CONSULTING WORK. THE
NEW BUSINESS WAS CALLED CDBAI. IT HAS THE JOB OF FILLING
THE NEED SMALL BUSINESSES HAVE FOR AFFORDABLE CONSULTING
SERVICE. THE RESOURCE IT USES TO DO THIS IS THE TALENT
POOL. THE NEW POLICY SAID ANY EMPLOYEE WHO WANTS TO MUST
BE MADE AVAILABLE TO DO CONSULTING -- THROUGH CDBAI -- FOR
UP TO TWO WEEKS PER YEAR. THE RESPONSE HAS BEEN
FANTASTIC. 1,200 PEOPLE HAVE ENTERED
THEMSELVES IN THE TALENT POOL SINCE WE SET IT UP AND IT CONTINUES TO GROW AT 50 OR SO PEOPLE A MONTH. SMALL BUSINESSES GET AFFORDABLE CONSULTING. OUR PEOPLE GAIN VALUABLE EXPERIENCE.

EMPLOYEE ENTREPRENEURIAL ADVISORY OFFICE -- A COUNSELING SERVICE FOR EMPLOYEES WHO WANT TO SET UP THEIR OWN BUSINESSES. EMPLOYEES ARE ABLE TO EXPLORE THEIR IDEAS AND THE PROBLEMS OF ESTABLISHING A NEW BUSINESS ON A CONFIDENTIAL BASIS. LESS THAN TEN PERCENT OF THOSE WHO SEEK HELP ACTUALLY LEAVE TO SET UP A BUSINESS. EVEN SO, 37 NEW COMPANIES HAVE BEEN CREATED SINCE THE OFFICE WAS ESTABLISHED IN SEPTEMBER OF 1979 -- AND THOSE COMPANIES HAVE HELPED CREATE 211 NEW JOBS.. AND, OF COURSE, THOSE EMPLOYEES WHO STAY WITH CONTROL DATA HAVE A NEW LEVEL OF COMMITMENT TO THE COMPANY AND THEIR JOBS.
THE EMPLOYEE'S SIDE OF THE PARTNERSHIP IS MUCH MORE DIFFICULT TO DEFINE BEYOND A PLEDGING OF OBVIOUS THINGS SUCH AS A FULL DAY'S WORK. AS ALREADY NOTED, HOWEVER, THE BASIC COMPONENT IS COMMITMENT — AND WE HAVE BEEN ENGAGING IN A SERIES OF MEETINGS IN WHICH EMPLOYEES DISCUSSED THE PARTNERSHIP WE DESIRE AND FOCUSED PARTICULARLY ON THE NATURE OF THEIR COMMITMENT. SOME SURPRISING INSIGHTS HAVE EMERGED.

FOR EXAMPLE, YOUNG PROFESSIONAL EMPLOYEES HAVE IDENTIFIED WHAT THEY CALL A SERIES OF "MYTHS" COMMONLY HELD BY BUSINESS:

THAT YOUNG PROFESSIONALS ARE TOTALLY DEDICATED TO ONE CAREER.

AND THAT THEY WOULD RATHER PURSUE THAT CAREER FROM COMPANY TO COMPANY RATHER THAN COMMIT THEMSELVES TO ONE COMPANY.
That they are unwilling to invest their own time in training.

And that they are unwilling to relocate.

Our young professionals tell us these commonly held misperceptions have arisen because so many company environments don't meet their expectations. In truth, as they explain it:

Young professionals would like to try two or even more careers during their working lives.

They are very willing to invest their own time in learning new dimensions of their current careers, and obtaining skills for new ones.
RELOCATION IS NOT A BARRIER IF THE MOVE WILL LEAD TO
DIMENSIONS IN THEIR CURRENT CAREERS OR OPEN DOORS TO NEW
ONES -- RATHER THAN SIMPLY OFFERING "ANOTHER PROMOTION"
WHICH MAY NOT BE ALL THAT ATTRACTIVE.

AND THEY ARE QUITE WILLING TO DEDICATE THEIR LIFE OF
EMPLOYMENT TO ONE COMPANY IF THEY CAN FIND AN
ENVIRONMENT WHICH HAS THESE KINDS OF OPPORTUNITIES.

AND WHAT WE SEE EMERGING FROM THE DISCUSSIONS ARE INSIGHTS INTO
THE FORMS THEIR OWN COMMITMENTS MIGHT TAKE, FORMS MANAGEMENT
WOULD NOT HAVE THOUGHT TO ASK OF THEM.
ABOVE ALL, WHAT QUICKLY BECOMES APPARENT IN ALL THIS IS THE IMPORTANCE OF MIDDLE AND FIRST-LINE MANAGEMENT. THEY HOLD THE KEY. CORPORATE HUMAN RELATIONS POLICIES AND PROGRAMS ARE NECESSARY AS FIRST STEPS, BUT THE LOCAL WORKING ENVIRONMENT DETERMINES IF NEEDED INNOVATION AND RISK TAKING WILL ACTUALLY OCCUR. IT IS THERE AND ONLY THERE THAT CONCEPTS OF HUMAN RELATIONS BECOME CONCRETE AND INFLUENCE THE LIVES OF THE PARTICULAR INDIVIDUALS INVOLVED.

AND THAT MEANS MANAGEMENT DEVELOPMENT TAKES ON A WHOLE NEW FOCUS. WE HAVE ALWAYS TAUGHT OUR MANAGERS THE BASICS OF RUNNING THE BUSINESS. WE'VE TRAINED THEM IN SPECIFIC HUMAN RELATIONS AND PRODUCTIVITY TECHNIQUES SUCH AS PROCESS FLOW ANALYSIS, CONFLICT RESOLUTION AND PERSONAL DEVELOPMENT. BUT THAT'S NOT ENOUGH TO BRING ABOUT THE WORKING CULTURE OUR FIVE PRINCIPLES ARE DESIGNED TO CREATE. THE INNOVATION WE REQUIRE TO GET US SUCCESSFULLY THROUGH THE '80'S REQUIRES MORE THAN BASIC SKILLS.
IN EFFECT, WE ARE ASKING EACH MANAGER TO CREATE A MICROOSM OF THE PARTNERSHIP. AND THAT MEANS MORE INTENSIVE MANAGEMENT TRAINING AND DEVELOPMENT FOCUSED ON INDIVIDUAL AND GROUP WORKING ENVIRONMENTS. EVERYTHING WE READ AND HEAR FROM MANAGERS AND EMPLOYEES TELLS US THEY ARE READY AND EAGER TO GET ON WITH THE TASK.

SO THE '80'S, A PERIOD OF UNPRECEDENTED DISLOCATION WHICH DEMANDS GREATER INNOVATION AND RISK TAKING THAN EVER BEFORE, BEGINS FOR US BY SETTING OUR SIGHTS ON THE SOURCE OF GREATEST STRENGTH -- PEOPLE AND THEIR ABILITY TO ADAPT AND OVERCOME.

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