

The First Year Out

For many people the first year of work after graduating from school is a period of great challenge and excitement. It is a time characterized by considerable changes—a new job, new work associates, a new dwelling, a new city.

The first year out can also be a difficult period. In a recent survey of MBAs six months after graduation, sixty-two percent reported that they were less than happy with either job, employer, career progress, or life style. Only five percent of those sampled reported no real problems since graduation.

Those who have studied the experiences of recent graduates have concluded that people who have a relatively trouble-free first year out tend to be systemically different from those who experience some difficulty. Specifically, those students who make more personally appropriate job choices, who start work with realistic expectations concerning what will follow, and who take an active role in managing their own joining up process, seem to experience significantly fewer problems during their first year out than those students who don't.

The Impact of Job Choice (and Related Decisions)

As one might expect, many of the problems reported by people during their first year out can be traced directly to an inappropriate job selection. For a variety of reasons, some people make job decisions based on an incomplete or inaccurate understanding of themselves, the job, or both. These kinds of

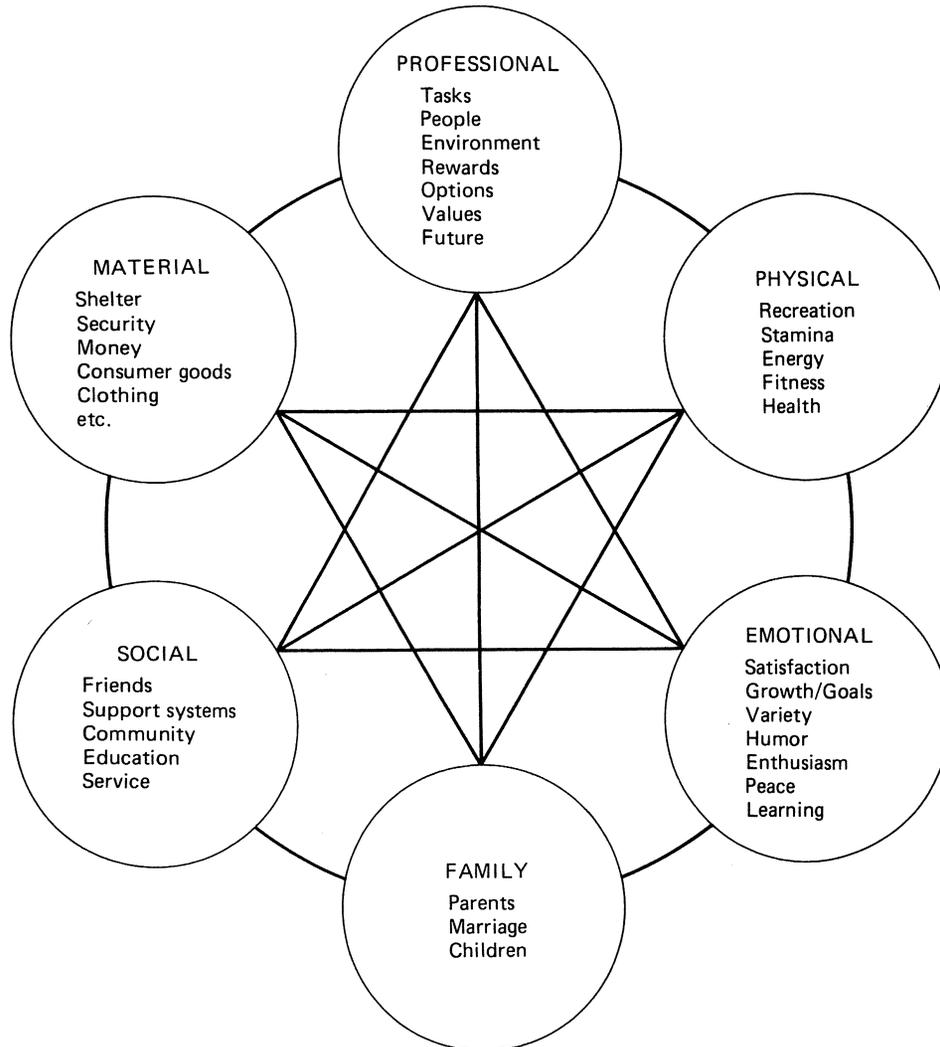
decisions invariably lead to problems and often to a change of jobs within a year of graduation.

The same underlying causes that lead people to poor job decisions often lead them to poor decisions in other important areas of their lives. Recent graduates sometimes make inappropriate decisions regarding how to approach a new job, where to live, how to allocate their income, and so on. Again, an incomplete or inaccurate understanding of themselves, the option they are choosing, or both, creates first-year-out problems for them.

Some Examples

Underestimating how much he depends on the proximity of friends for relaxation and support, Bill Jones takes an apartment by himself in an area where he knows no one. Within three months his loneliness seriously affects his work. Helen Johnson, who never commuted more than a few miles to work or school before, finds exactly what she wants in a house about twenty-five miles from work. After moving in, she finds that it takes one hour to drive to or from work. The ten hours-a-week commute eats into both her work and nonwork activities, creating a variety of problems for her. Herb Palmer is not really aware of how slowly he gets up to speed in a new situation, so he bases his decision to “not even think about work” after accepting the job offer on other considerations. The same is the case with his decision to take a six-week vacation and start work on August 1. When October 1 comes, all of Herb's contemporaries are well settled in their jobs and

Exhibit 35-1
A Life System



Herb's continuing awkwardness stands out like a sore thumb to him and others, including his boss.

As the above examples suggest, virtually none of the important individual decisions made just before or during one's first year of work are independent of the other decisions. Each decision tends to affect other parts of one's life in small and large ways, now and in the future. Insensitivity to the interdependence among decisions and their consequences inevitably leads to problems for many recent graduates.

Pete and Pam Marsh, for example, really wanted to return to a less urban part of the Midwest after graduation. Their families and many of their old friends were still there. Peter carefully looked for jobs in that area but found nothing really appealing. Bit by bit, he began to search in a wider area.

Eventually he landed a job, enviously considered by his friends to be "a find." The starting salary was good and the company would allow a long vacation period and pay moving expenses—to New York City! After a tense and anxiety-producing process, the Marshes agreed to accept the job. They found a decent apartment and put their 6-year-old in school. Pam made some friends and so did their 4-year-old. Pete threw himself into the job. Next came another "find"—a great house, close to the apartment, and at a good price. They moved. But after eight months Pete became increasingly frustrated. The job was not developing, and the company seemed less than supportive as time wore on. After ten months he left. He wanted once again to look for jobs in the less urban part of the Midwest. But what of the child in school, the other child's friends, Pam's attempts to

dig in, and the house? He ended up taking another job in the city. Their big-city life style in a short time quite subtly had become the constraint affecting Pete's job choice. It didn't start out that way.

Taking a Life System into Account

Operationally, this means that in making important job and nonjob decisions, one needs to take into account all aspects of one's life. The relevant system to analyze when making a job decision or a life style decision is one's entire life system (see Exhibit 35-1). The critical thing to realize here is that each of the areas of a person's life—job/career, family, psychological and physiological selves, and life style, including where you live, your movement patterns, your use of money, your social life, your recreation, and so on—are affected, inexorably, by career-related decisions.

People occasionally like to deny that these decisions are interdependent. They want to believe that what they do at work and what they do out of work can be totally separated. They want that "freedom." As they soon learn, the world as we experience it

today is one big interdependent mass, and the interdependencies are growing, not shrinking. And those who do not understand that, or who refuse to accept it, are in for a tough time.

Exhibit 35-2 presents a list of the issues commonly mentioned by graduates of major business schools when they return to campus a year after graduation to talk with students. The list reveals that many graduates experienced some surprises in their first year of work. Work, and especially work embedded in a particular organizational culture, was not exactly what they expected. Sometimes the work was too fast, sometimes too slow. Often they were surprised by the vagaries of dealing with people—people who moved within or left the organization, people who had different values from theirs, people who weren't as talented as they, people who didn't communicate well, people who sought power, and so on.

One of the major tasks associated with the first year of work is the tentative exploration and establishment of a life style. People test the ways that the six major components of a life system (see Exhibit 35-1) are going to fit together for them.

Exhibit 35-2

Issues Faced by MBA Graduates in the First Year

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1. How do I manage my marriage *and* my career? Especially if my spouse is also working—and maybe in a different city?
 2. How do I manage the frustration of dealing with a hierarchy? Decisions seem to take so long and to be made as much for political reasons as for analytic conclusions.
 3. How do I manage my time and priorities? What should I do next? (These questions were particularly poignant for entrepreneurs.)
 4. How little sleep can I get by with?
 5. There have been a lot of changes in bosses and colleagues. How do I manage *that* uncertainty?
 6. How do I learn about corporate culture, and how much will I have to conform?
 7. Where should I live? Where will I find my (our) social life?
 8. How long and in what ways will I have to pay my dues? How long will it take until I have established credibility? How long will I have to do junk work?
 9. How do I deal with the big changes in seasonal workloads?
 10. I am getting virtually no feedback on my performance. How do I find out how I'm doing or learn to live with the lack of feedback?
 11. I had the joining up blues. No one wanted to bother with me. Everyone was busy doing their work and I was the low man on the totem pole.
 12. How do I find a mentor? Do I need one?
 13. Things were more disorganized than I expected.
 14. Authority is not always clearly linked to responsibility. People don't respond just because you have a title. Managing relationships is a bigger part of it than I thought. People have their own hidden, but powerful and often irrational, agendas.
 15. How do I work for someone who is less capable than I am?
 16. Timing goes in fits and starts. Sometimes things move very fast, faster than seems wise. Other times it seems to take forever to accomplish the simplest things.
 17. How long can I go on with this pace? It's okay now, but I don't want to be working this hard in five years.
 18. I just got married. That took a lot of my time. But now that I've got my social life buttoned up, I can focus on my career.
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Assignment

Read the Jewel Savadelis case (pp. 392–398). What should she do, and why? How are the issues she is

facing similar or dissimilar to ones you may face? What seems typical or unusual about her first year out?

JEWEL SAVADELIS

On Friday, September 25, Jewel Savadelis pulled slowly out of the parking lot of Atari, Inc., and headed south on Mathilda Avenue toward her home in Sunnyvale, California. Jewel was oblivious to the rush hour traffic. An offer she had received from her boss kept rolling over and over in her mind. Mr. Moon, the president of Atari's Consumer Division, had asked Jewel to be the director of the Software Development Department. The offer presented an exciting opportunity for Jewel at an early stage in her career, but she wondered if it was the right move to make and, if so, under what circumstances.

Atari, Inc.

Atari operated three main lines of business. Coin-operated video games stood in game arcades and high-traffic areas in bowling alleys, supermarkets, and restaurants. Home video games were attached to consumer televisions. Personal computers were designed not only for games, but also for personal data processing applications. Atari was the only company which operated in both the coin-operated and home segments of the growing video game market. By 1980, Atari was generating an estimated \$415 million in sales revenues and earning an estimated \$77 million in operating profits. Company analysts expected these figures to more than double in 1981.

Atari was founded in 1972 by Nolan Bushnell, a young engineer graduate of the University of Utah. Mr. Bushnell had written a computer game later named "Pong" while working as a research engineer in the area between Palo Alto and San Jose, California, known as Silicon Valley. Mr. Bushnell formed his own corporation, Atari, Inc., to produce and market the game in the coin-operated arcade market, and it became an instant hit.

Mr. Bushnell's love of games and creative, flamboyant style encouraged other Atari engineer/managers to imagine and to create new, increasingly more exciting games. Groups of managers and engineers would go off to local resorts for two- and three-day brainstorming sessions that included "plenty of marijuana and beer."¹ The video games required weeks and sometimes months of painstaking and careful programming. Then the problems of mass producing the programmed chips that were the heart of the video game hardware had to be overcome before attacking the common production and assembling tasks associated with a video game console.

Some games were developed specifically for either the arcade or home video markets, but the company generally tried to apply the considerable development costs to products in both segments. In 1975, the company produced over 100,000 copies of a home version of Pong which was sold out before it reached the Sears, Roebuck outlets. Sears had had to help Atari finance the buildup of the Pong inventory, and it became apparent to the management of Atari that the company would need additional funds in order to pursue its high-growth strategy. In 1976, Mr. Bushnell agreed to sell the company to Warner Communications for \$28 million.

With the infusion of cash from Warner, Atari continued to develop and distribute new products. Officials at Atari had realized from their experience during the early years that video games often became repetitive to players and had concluded therefore that the future growth of the industry in both the home and arcade markets would rely on a continuous stream of new and ever more interesting products. Evidence to sup-

¹Peter W. Bernstein, "Atari and the Video-Game Explosion," *Fortune*, July 27, 1981.

This case was written by Associate Professor James G. Clawson as a basis for classroom discussion rather than to illustrate either effective or ineffective handling of an administrative situation. © 1981 by the Sponsors of the Colgate Darden Graduate School of Business Administration, University of Virginia, Charlottesville, Virginia. UVA case OB-190.

port this conclusion was found in the arcade market where the Space Invaders game, imported from Japan and produced in the United States by Bally Corporation, had become extremely popular. Space Invaders added variations of color, sound, control, and skill development to the relatively simple Pong video game experience. Atari was able to capitalize on the arcade popularity of Space Invaders by introducing to the consumer market in 1977 the Video Computer System, a flexible device that would accept cartridges each programmed with a different game. By 1981, the Atari cartridge version of Space Invaders introduced in 1980 had sold over one million copies. In 1980, Atari also introduced the coin-operated Asteroids. The game quickly became another major seller. Over 70,000 units were sold by the end of the year.

The architect of much of Atari's success in the late seventies and the man who did much to change the operating culture at Atari was Raymond Kassar, who had worked for Burlington Industries for 25 years before coming to Atari. In many ways, Mr. Kassar was a sharp contrast to Atari's founder. Mr. Kassar had been steeped in corporate management philosophy and techniques over the course of his career. When he was made the chief executive officer in 1978, he immediately set about establishing formal control and reporting systems. He expected people to be to work on time and to dress in more formal attire rather than the T-shirts and jeans that were commonplace at Atari and in the industry. Mr. Kassar also proved to the industry that video games were not just a seasonally oriented toy business. His introduction of four new game car-

tridges in late January created a run on retail outlets and a year-around demand for Atari products. Mr. Kassar's considerable marketing skill and the fact that only 3.5% of American homes had video game players augured well for Atari in 1981.

Jewel Savadelis

These were the fascinating and compelling highlights of Jewel Savadelis's investigation of Atari as she searched for an appropriate position during her last semester in the Harvard Business School MBA program in the spring of 1981. The previous fall, Jewel had taken an intensive course on career management in which she had developed a well-supported list of personal life themes (see Exhibit 35-3) and implications for work (see Exhibit 35-4) that she thought would help guide her in her job search. After careful consideration of her knowledge of herself, of Atari, and of its industry, Jewel had accepted the product manager position, which would play a large role in the marketing activities of the Consumer Division of the company, which produced and sold the home video games.

After graduation, Jewel and her husband took a much-needed vacation, returning in time for Jewel to begin work August 3. As the new product manager for home video games, Jewel had no set job description, no subordinates, and an open mandate to structure the position in light of the company's growing portfolio of video games. Jewel spent the first eight weeks on the

Exhibit 35-3

Life Themes

To facilitate a clearer understanding of the links between my life themes and their implications for work, I'd like to summarize the rationale behind each theme.

Dominant Themes

1. Likes control.
Likes control over self and work situation. Prefers autonomy and nonauthoritarian boss. Solicits added responsibility. Likes control over others; seeks leadership, is decisive, enterprising, self-motivated. Enjoys persuading people; is manipulative.
 2. Has self-confidence.
Confident in most work-related situations and of ability to deal well with most people. Lacks confidence in technical, quantitative areas.
 3. Likes dealing with people.
Enjoys dealing with people rather than things. Social activities, even if business-related, are relaxing and recharging. Enjoys acting as teacher or mentor. Enjoys diverse types of people.
 4. Needs Chuck's support (husband).
Chuck has always been central to my stability and well being. Experienced conflict between strong feelings of affection for Chuck and lack of time spent with him.
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Exhibit 35-3 (continued)

Major Themes

5. Deals well with people.
Is successful with superiors, peers, subordinates, and clients by understanding motivations. Able to influence and persuade, inspire, handle difficult people, form cohesive group. Varies style with different people. Sometimes, too domineering.
6. Wants to achieve significant ends and to improve self.
Requires challenging work to feel accomplishment. Driven to accomplish many tasks. Continually seeking personal growth, self-improvement. Perseveres in accomplishing tasks.
7. Is creative and appreciates esthetics.
Solves problems creatively. Has characteristics of the artist: expressive, original, intuitive, nonconforming, independent.
8. Is risk-loving.
Has no fear of taking manageable risks. Has ability to move confidently in totally new situation. Has need for constant stimulation in environment. Shows courage.
9. Needs praise and recognition.
Driving force behind need for achievement is need for recognition.
10. Can get things accomplished.
Delivers on promises. Attends to details. Handles variety of tasks simultaneously and efficiently. Builds teams and accomplishes tasks through others.
11. Needs self-respect.
Must stand up for issue I believe in. Demands integrity in others.
12. Likes variety.
Self-explanatory.
13. Is emotional.
Exudes enthusiasm. Is not objective in opinions. Has mood swings. Likes periods of extreme activity followed by periods of relative calm.

Intermediate Themes

14. Is flexible.
Willing to experiment with new approaches. Sees relationships in unrelated fields. Willing to change mind in light of fresh evidence. Ability to improvise (particularly in crisis).
15. Has high material needs.
Self-explanatory.
16. Needs support of friends and family.
Support systems permit risk-taking because they provide a secure base.
17. Lacks stamina.
Self-explanatory.
18. Is self-reliant.
Tied to need for control (Th 1), confidence in own ability (Th 2), ability to accomplish tasks (Th 10). Depends on self rather than others to get things started (relies on others to carry through, under my direction).
19. Concerned about women's position in life.
Fights loss of control and dependence on men fostered by discriminatory practices. Interested in promoting equal rights for self and for other women as humanitarian gesture.
20. Is organized.
Systematically sets goals, uses effective criteria for projects, attends to details.
21. Is intuitive.
Self-explanatory.

Subordinate Themes

22. Is unconventional.
Self-explanatory.
 23. Is impatient.
Self-explanatory.
 24. Is practical.
Self-explanatory.
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