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Bringing Work to Life

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In This Issue

- A Kinder, Gentler Place
- In the Eye of the Perfect Storm?
- Quote
- Upcoming EOR Events and Recent Mentions
- About EOR

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Welcome

Welcome to the latest issue of Bringing Work to Life. In recent issues (www.elsdon.com/newsletters.htm) we explored the topics of:

- Accelerating into your new position (March 2005)
- Workforce leadership (February 2005)
- Searching for success (January 2005)
- Ethics and leadership (Year End 2004)
- Linking workforce development to value creation (November December 2004)
- How to decide if an organization will be a good fit for you (October November 2004)
- Confronting one of our fears as leaders - the fear of public speaking (September October 2004)
- Bringing meaning to our work lives (August September 2004)
- Seven key aspects of the organizational and business drivers for workforce development (July 2004)

This month we look at our organizational environment in “A Kinder Gentler Place.”

A Kinder, Gentler Place

“This will not be a kinder, gentler place.” These were the words from our new CEO in a letter to all the employees of a multi-billion dollar organization. This organization had been transformed to an industry leader over the previous thirty years, as it built on and valued the contribution of its workforce. So here was a new statement about the organization in the future. On receiving this letter and reflecting on the environment I decided to move elsewhere, and wondered how the organization would perform under this new regime. Within a year I left, and then witnessed from the outside the new values displayed in multiple waves of layoffs.

Organizational Renewal, which focuses on supporting organizations enhance effectiveness through revitalized workforce relationships and leadership practices. Prior to establishing his practice, Ron held senior leadership positions at diverse organizations. Ron is also co-founder of New Beginnings Career and College Guidance, which provides caring and personalized help to individuals and families in career guidance, coaching and college planning.

Ron is author of *Affiliation in the Workplace: Value Creation in the New Organization* (2003), a book describing leadership approaches to integrate the needs of the individual with the needs of the organization for the benefit of both. Ron holds a Ph.D. from Cambridge University in Chemical Engineering, an M.A. from John F. Kennedy University in Career Development and a first class honors degree from Leeds University in Chemical Engineering. With his co-author he was awarded the Walker Prize by the Human Resource Planning Society for the paper that best advances state-of-the-art thinking or practices in human resources.

The organization struggled and was bought by a competitor. Its identity, which had been intact for about one hundred years, was lost. The CEO did not survive the new parent company for long.

This organization, to its detriment, moved away from kinder and gentler. We might ask the question, what does kinder and gentler have to do with business? Why this fuss about organizational values? After all isn't the business world one in which we grab what we can, and trample on those who may be in the way? Isn't this what business is all about? Let me offer an alternative. First let's look at why kinder and gentler not only makes ethical, but also business sense. A recent article in *business-ethics.com*, reported on the results of a major study demonstrating a direct positive link between corporate social performance and financial performance. According to the article, employee motivation provided the bridge between the two areas of performance. During a recent conversation with a group of recruiters operating in a particularly challenging area, we heard a stirring example of a candidate being recruited largely because of the community outreach practiced by the recruiter's organization. It was the key deciding factor.

In exit interviews we conduct, frequently people talk about a negative work environment as a primary reason for leaving. This may mean lack of respect, or lack of recognition, it may mean harsh and inflexible management behaviors. The absence of a kinder, gentler environment leads to attrition, which, in turn, depresses productivity and increases operating costs. Conversely strengthened affiliation, which builds from a kinder and gentler work environment, enables people to operate closer to their full potential translating directly to improved organizational performance.

What are some characteristics of a kinder and gentler workplace? Leadership behaviors can drive to the following forms of relationship between individuals and an organization:

- Cooperative
- Competitive
- Exploitive
- Divisive
- Regenerative
- Inclusive

These relationships are not mutually exclusive; indeed some such as regenerative and inclusive are natural complements and others such as divisive and exploitive are natural consequences of each other.

A *cooperative* relationship is built on the premise that identifying and working jointly toward common interests will provide maximum benefit to each party. It is akin to the win/win concept of negotiating and it is based on open communication and the expectation that parties are operating in good faith, respecting the needs of the other. To succeed it requires that the parties listen to each other, and that each be prepared to accommodate the needs of the other. The cooperative relationship is successful when the sum of the parts is greater than each individual component. Successful organizations remain together precisely because this is true.

A *competitive* relationship, on the other hand, is built on the premise that through competition individuals will exert maximum effort and make the greatest contribution. In this case the underlying assumption is that competition is needed to catalyze the effort needed to achieve excellence. Organizational structure and formation are needed only to the extent they foster an arena for competition. This represents a Darwinian approach to organizational development. It can be successful if only individual initiative rather than cooperative endeavor is the primary engine driving organizational capability. Organizations practicing this approach need to provide regular, immediate rewards to their employees. While some measure of competition can spur performance, a culture that over-emphasizes competition will likely exhibit punishment for risk taking, over-emphasis on short-term results and stifled innovation.

An *exploitive* relationship can occur when the balance of power is far from equally distributed between the individual and the organization. Such an imbalance can lead to one party ignoring the needs of the other and exclusively pursuing its own interests. The example at the beginning of this article is fashioned in this mold. The exploitive form of relationship, aside from major ethical shortcomings, is inherently unstable and will ultimately dissolve.

A *divisive* relationship is rarely sought but sometimes created, for example as a consequence of an exploitive relationship. In highly political organizational cultures where progress of one person comes at the direct expense of others, management approaches that emphasize division to limit power may flourish. Such approaches lead to information being closely held, or worse misrepresented. In this relationship the sum of the parts is less than the individual components. This is a recipe for long-term organizational extinction. This approach destroys the sense of affiliation.

The *regenerative* relationship is focused on a continuing cycle of renewal. In this case both the organization and the individual recognize the need to evolve. While the timing of the cycles for each may differ, typically being longer for the organization, the relationship recognizes the need for the ongoing change and development of each party. An underlying premise of this relationship is the knowledge that innovation and exploration are essential to maintaining the vitality of the relationship. This form of relationship requires deliberate, constant challenge to the current state of equilibrium. It has the potential for great longevity, drawing as it does on an ever-renewing cycle of re-creation.

The *inclusive* relationship is one that values differences. It embraces varied perspectives, wide-ranging viewpoints and practices. On an individual level this means openness to new ideas, on an organization level this means openness to people with different backgrounds and to a breadth of partnership and community relationships. The inclusive relationship is likely to ignite the spark of innovation, bringing, as it does, varied perspectives together. It is inherently regenerative due to the infusion of new ideas that are implicit in this approach. Clear purpose and vision are needed to unite the wide-ranging viewpoints that are central to this relationship.

Leadership wisdom is needed to take the path to the cooperative, regenerative and inclusive relationships that foster long term prosperity for organizations and individuals. “We do not inherit the land from our forefathers, we borrow it from our

children” are the insightful words of Antoine de Saint-Exupery (quoted by Gary Hamel in *Leading the Revolution*). The same is true for our organizations. And so in thinking about our organizational legacy we are challenged to demonstrate leadership courage in fostering those forms of relationship that lead to a kinder gentler workplace and, in turn, the organization and community prosperity and individual fulfillment that follow.

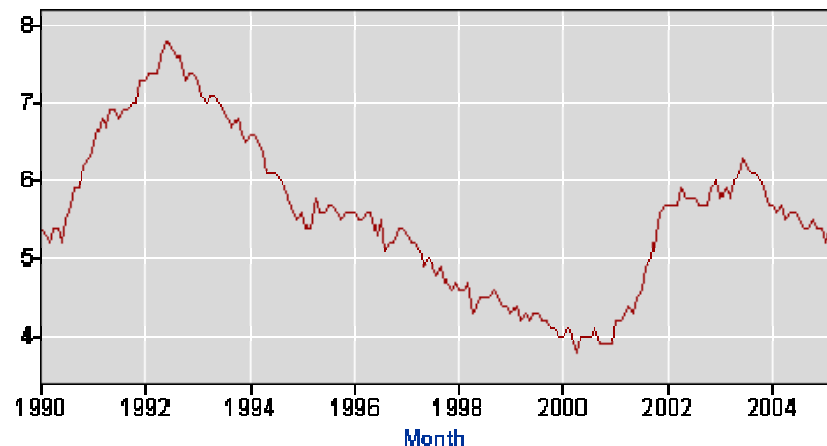
(Some elements of this article were extracted from “Affiliation in the Workplace: Value Creation in the New Organization” by Ron Elsdon, Praeger, 2003.)

In the Eye of the Perfect Storm?

We can recall with great sympathy those times when warnings of a hurricane mobilized many along the U.S. coasts, on nearby islands or in distant lands to seek refuge from an approaching storm. Fortunately, on some occasions ferocious storms abated before landfall, or changed course to come ashore at a place where there were few people. Such a storm is gathering in the world of work and we are hard pressed to know whether it will intensify or moderate before making landfall. That storm is driven by growing demand for, and slowing availability of, people. It is fuelled by a strong economy in the short term and by an aging population in the longer term. These factors are about to converge.

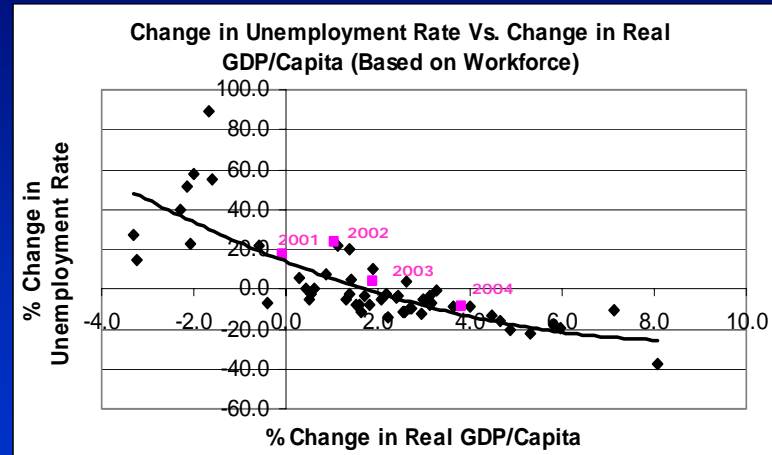
Let’s look at the short term factors. The following figure shows the U.S. unemployment rate from 1990 to February 2005:

U.S. unemployment rate (%), Source: Bureau of Labor Statistics.



The unemployment rate has declined rapidly since its recent peak in mid-2003. The trend over the past four years, as we have emerged from an economic slowdown, matches closely the historical relationship between changing GDP per capita (based on the workforce) and changing unemployment rate as shown in the following figure:

Economic Slow Down & Recovery in Early 2000s Consistent with Model



New Beginnings
Career and College Guidance

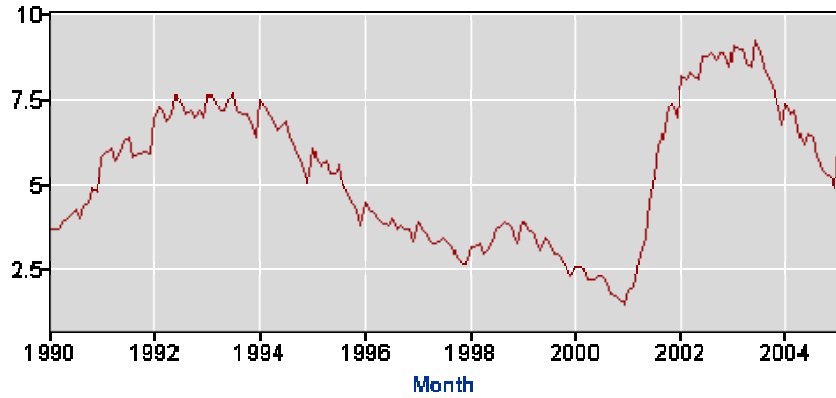
Elsdon Organizational Renewal

The data points in purple, identified by year, show the recent economic recovery. It was only in 2002, in the aftermath and economic impact of the terrible events of September 2001, that we see significant variation from the trend line as organizations were more reluctant to hire at that time. Since then actual behavior has closely tracked past experience and predicted behavior.

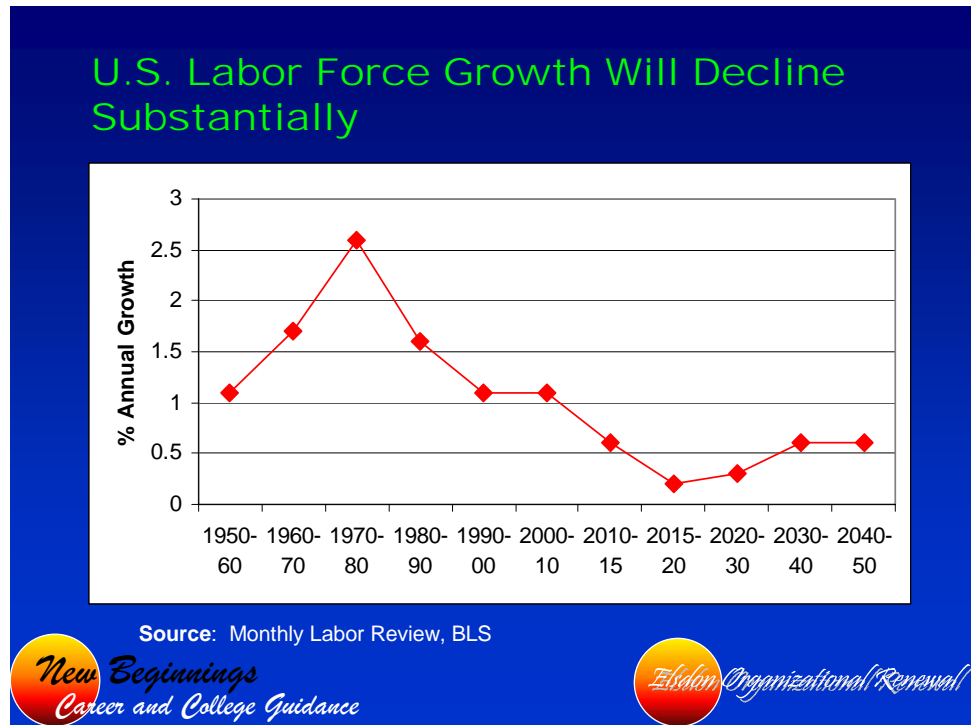
The derivation of the trend line, based on data from 1947 through 2000, is described in Chapter 6 of “Affiliation in the Workplace” (Ron Elsdon, Praeger, 2003). As long as GDP per capita (based on the workforce) grows more rapidly than about 1.7% per year (the point where the line in the figure crosses the horizontal axis) the unemployment rate will continue to decline. GDP per capita in the U.S. is currently growing at a rate well above 1.7% per year so we can expect to see further significant declines in unemployment rates. The 2004 growth rate of 3.8% in GDP per capita is higher than at any time during the 1990s, we have to go back to 1984 for a higher growth rate than in 2004 and before that to 1966. So the pace of economic growth fuels significant decreases in unemployment rates. We can see this in the following figure that shows the unemployment rate in San Jose, California, the heart of Silicon Valley, from 1990 through January 2005:

San Jose unemployment rate (%), Source: Bureau of Labor Statistics.

unemployment rate



The precipitous decline in unemployment rates since 2003 takes us back to the level of the mid-1990s of around 5%. We are beginning to approach full employment again. We are also now approaching a time when a longer term demographic trend, namely declining growth rate of the U.S. workforce, driven by an aging population, begins to take effect, as shown in the following figure:



This is a result largely of declining participation rates in the workforce as people approach retirement. Declining participation rates in the workforce are now surfacing, having dropped to a level not seen since the late 1980s, as shown in the following figure:

U.S. Labor Force Participation Rate (%)



And so the perfect storm may be gathering. Those organizations blessed with insightful leaders and concerned about their workforce are already taking steps to secure and strengthen this relationship. Others, during the recent slowdown, have taken advantage of their workforce. Regardless of whether the storm clouds are gathering or not, in our information and service based economy, value creation is all about people. Those organizations that value people as central to their success will be the organizations that survive, prosper and adapt successfully in the uncharted waters ahead.

Quote

Vocation: “the place where your deep gladness meets the world’s deep need.”

Frederick Buechner quoted in *Let Your Life Speak* by Parker Palmer.

Upcoming Eldon Organizational Renewal (EOR) Events and Recent Mentions

Upcoming Events

- “Careers in Turbulent Times: Accelerating to Opportunities.” Presentation for UC Berkeley, Haas School of Business, East Bay Alumni Association.” Berkeley
 - [Haas Alumni Event](#)
 - Tuesday, March 29, 2005

- “Introducing the Myers-Briggs Type Indicator Step II.” Presentation for the California Career Development Association at Sacramento State University, Sacramento
 - Friday, April 1, 2005
- Workshops for UC Berkeley, Haas School of Business. Berkeley
 - “Developing Your Interviewing Techniques.”
 - Monday and Tuesday, April 11 and 12
- “Building Employee Affiliation in a Growing Economy.” Presentation for Foreword Financial Bank Human Resources Conference, Memphis
 - http://www.fwfinancial.org/promotion_bankhr.html
 - Wednesday, May 11, 2005
- “Create a Business Case for Workforce Development.” NCHRA workshop, San Francisco
 - [NCHRA Meetings & Events : Event Registration](#)
 - Thursday, May 26, 2005
- California Career Development Association First Annual Author’s Showcase. Pomona College, Claremont
 - [Pomona College : CCDA Author Showcase](#)
 - Friday, June 10, 2005
- “Becoming Career Fit in Turbulent Times” for PMI-ISSIG PDS’05 Symposium, San Francisco
 - <http://www.pmi-issig.org/pds05/agenda.asp>
 - Tuesday, June 14, 2005
- “Building the Organizational Bridge for Career Development” Professional Development Institute for NCDA Global Conference, Orlando
 - [NCDA: National Career Development Association](#)
 - Wednesday, June 22, 2005

Recent Mentions

- HR West, February 2005 (Northern California Human Resource Association)
 - <http://www.nchra.org/StaticContent/Download/EXT0205007.pdf>
- Reviews of “Affiliation in the Workplace: Value Creation in the New Organization.”
 - Harvard Business School
 - [HBS Working Knowledge: Organizations](#)
 - Global Diversity Institute
 - [Global Diversity Institute - The Journal of Diversity Praxis](#)

- Journal of Asian Economics
 - [ScienceDirect - Journal of Asian Economics : Ron Elsdon, Affiliation in the Workplace: Value Creation in the New Organization, Praeger Publishers, Westport, CT \(2003\) 280 pp. \(hardcover\), ISBN 1-56720-436-8, \\$49.95.](#)
- The Alliance of Chief Executives
 - [Alliance of CEOs - Ron Elsdon](#)
- Recent interview in the education field “Affiliation as a Unifying Principle in Education”
 - The Bridge
 - <http://community.bridges.com/content/resources/feature/aupe.html>
- Review of recent ICDC Global Issues Forum
 - CCDA, January 2005
 - [California Career Development Association - Articles](#)

About EOR: Our Value Contribution

We enhance your workforce, leadership and organization by:

- Using proprietary approaches to understand workforce and leadership challenges
- Creating tailored action plans and solutions to strengthen workforce and leadership practices
- Building individual capabilities and contributions

We enable you to focus on external results and building value, confident that your organization and leadership are operating at peak effectiveness.

Our Mission

To support your organization by enhancing performance, productivity and effectiveness through revitalized workforce relationships and leadership practices.

Our Approach and Values

We tailor our engagements to the needs of each organization with a process designed to surface critical issues, identify root causes, build effective solutions, monitor progress and implement.

With a scope that ranges from system and organizational interventions to work with individuals, our focus is on the heart of the relationship among the individual, the organization and the community. We believe that organizational and community prosperity are built on enabling each person to fulfill his or her potential.

Our Services


We work with individuals and groups in your organization to drive performance and development for both the short and long term. As a result people will choose to work in your organization and will prosper there.

We bring solutions when you need to:

- Reverse declining revenues and performance
- Revitalize your workforce
- Stem the loss of key talent
- Redirect your organization to new areas
- Stop losing customers or market share
- Penetrate new markets
- Combat aggressive competitors
- Handle major change
- Break down communication barriers
- Energize your leadership team
- Successfully build on an acquisition or merger

Our proprietary services include:

- State-of-the-art tools to take the pulse of your organization and then move to action
 - Web enabled systems
 - Experts to gather and analyze information, moving your organization to action
- Individual leadership coaching to give you world class leadership capabilities
 - Leaders who know themselves and their aspirations, build their capabilities and become catalysts developing others
- Workshops to build interpersonal skills in your organization so that:
 - Communication is timely, concise, accurate and personal
 - People listen to each other
 - Negotiations are quick and effective
 - Differences create rather than destroy value
 - Teams move forward, get results and quickly commercialize new products and services
 - People understand and link their motivations to your organizational needs
 - Your teams understand what it takes to create a committed, energized workforce

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- People use their time well
 - Systems that make it easy to drive performance and build capabilities by:
 - Linking objectives throughout the organization
 - Strengthening key competencies
 - Making sure you have the bench strength where and when you need it
 - Giving people tools to take charge of their own careers and development and have a major long term influence on your organization
 - Proprietary simulation and modeling techniques that let you explore how to maximize the value of your workforce
 - Move from guessing what might happen to looking in depth at the financial impact of different approaches