



February 2005

Bringing Work to Life

Volume 2, Number 2

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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:

- 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 continue our exploration of personal leadership with “Workforce Leadership.”

Workforce Leadership

An editorial in Training magazine recently mentioned Corinne Maier, who works 20 hours a week writing dry, economic reports for a utility in France. Ms. Maier wrote a book called *Bonjour Paresse* (Hello Laziness), and became a counterculture heroine overnight. She advocated a strategy of active disengagement, or calculated loafing, recommending that people who dislike what they do should discreetly disengage. Ms. Maier offers tips like carrying a stack of files to look busy. We, in the U.S., cannot dismiss this as some eccentric European behavior. As the editorial points out, a recent Gallup study shows that 70% of U.S. employees are disengaged at a cost each year of about \$300 billion in lost productivity. Here is a quote from a U.S. ex-employee following a recent organization upheaval. “You may now only borrow

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 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.

40 hours of my life a week – that’s all I’m gonna give.”

And it would be easy to point fingers at workers. However, in our surveys we have shown a direct relationship between the strength of affiliation that people feel and the ability of leaders to create a sense of inspiring purpose. Strong affiliation means that people operate closer to their full potential and are more productive. Our exit interview studies repeatedly show that people leave organizations for a range of reasons directly linked to leadership practices.

So what are we to do with this leadership challenge? One important step is embracing leadership responsibility for workforce development at all levels in our organizations. Our studies show people working on average at only 60% of their potential. This translates directly into compromised organizational performance. This is an area of great opportunity. Closing just half of this gap, to 80% of potential, contributes over one billion dollars each year to the financial performance of an organization of 100,000 people. There are few strategies that offer such rich rewards. And there are examples of organizations, such as Southwest Airlines, that embrace the workforce as central to success. This means demonstrating commitment to individual development, demonstrating respect for individuals, and expressing long term commitment to build affiliation. Let’s look at alternative approaches to closing the organizational performance gap. They are summarized in the following figure.

Closing the Organizational Performance Gap			
	When	Why is it typically done?	How is it typically done?
Redirect organization	<ul style="list-style-type: none"> ▶ External shift ▶ Losing 	<ul style="list-style-type: none"> ▶ Survival 	<ul style="list-style-type: none"> ▶ Top down
Reorganize	<ul style="list-style-type: none"> ▶ Emerging/changing skill/ability needs ▶ New leadership 	<ul style="list-style-type: none"> ▶ Channel skills ▶ Politics 	<ul style="list-style-type: none"> ▶ Top tells the middle what to do to the bottom
Buy talent	<ul style="list-style-type: none"> ▶ Out of ideas ▶ Crisis ▶ Growth 	<ul style="list-style-type: none"> ▶ Quick ▶ Available 	<ul style="list-style-type: none"> ▶ Cast the net
Build talent	<ul style="list-style-type: none"> ▶ Clear direction ▶ Capable ▶ Growth 	<ul style="list-style-type: none"> ▶ Align aspirations/skills ▶ Realize potential 	<ul style="list-style-type: none"> ▶ Development/Performance/Retention

Here we see four alternatives, which are not mutually exclusive. The first is that of redirecting the organization, typically driven by a major external shift. For example Microsoft’s (late) adoption of the Internet as central to its strategic direction. Redirection can also be imposed when an organization is losing its competitive position, for example clothing manufacturers with U.S operations struggling to compete against low cost production in emerging economies and shifting their sources of production. Redirection is often driven by survival needs and is usually a

top down initiative.

The second alternative is that of reorganizing. This can be driven by emerging or changing skill and ability needs. In many areas, ranging from movie production to healthcare record-keeping to airline reservations, advancing technology and communication capabilities have fundamentally changed production or transaction processes. New skills can be created by reorganizing to channel existing capabilities in new directions. Sometimes, unfortunately, reorganizing is driven by political considerations when a new manager in an organization brings his or her cronies into the organization. In these cases the process is often one of the top telling the middle what to do to the bottom.

The third alternative is to attempt to buy talent. We saw this frenzy unfolding in the dot.com days when lavish signing bonuses were common in the technology world and tenure with high tech organizations dropped to an average of about 18 months as people job shopped continuously. It is typically viewed as a quick fix and requires that talent be available for purchase. Both assumptions are questionable. Talent is usually sought by casting a broad net, using costly brokering processes such as executive search.

The fourth option is that of building talent. This requires clarity of direction and senior leadership invested in committing time and energy to the building process. It usually occurs in a growth environment, although it is integral to the sustained success of any organization. For example, healthcare organizations that link their community, student outreach efforts to hiring, integration and development are creating a sustainable future workforce. Building talent requires continued alignment of people's aspirations and skills with organizational needs. This means having systems and policies that support such alignment, for example removing barriers to, and enabling, internal transfers. It is through the building process, and integrating development, performance and workforce planning, that we realize the potential of each person in our workforce and the resulting productivity benefit.

Organizations seeking long term prosperity adopt the fourth practice that of building talent as a central strategic approach, augmented as needed by the other approaches. Leaders in their sectors such as Southwest Airlines, Whole Foods and Microsoft are a testament to this approach. In thinking about how your organization is positioned, consider these stages of workforce development.

- ▶ Ignore
 - This is the going out of business approach. There is little or no investment in building workforce capability. Perhaps adopted on the basis of perceived low risk in the short term; it creates huge risk in the long term.
- ▶ Haphazard
 - In this case workforce development occurs sporadically according to the whim of the moment. Examples include adoption of the latest management fad, or viewing development as an employee perk uncoupled from organizational or individual imperatives. It depletes resources and contributes little.
- ▶ Short term performance focus
 - This approach focuses only on short term organizational results. It is

driven by tactical outcomes and generally alienates the workforce leading to rapid, acrimonious departure of people. An example would be the venture backed company that demands excessive work hours from employees, while providing negligible support for their development.

▶ Long term development focus

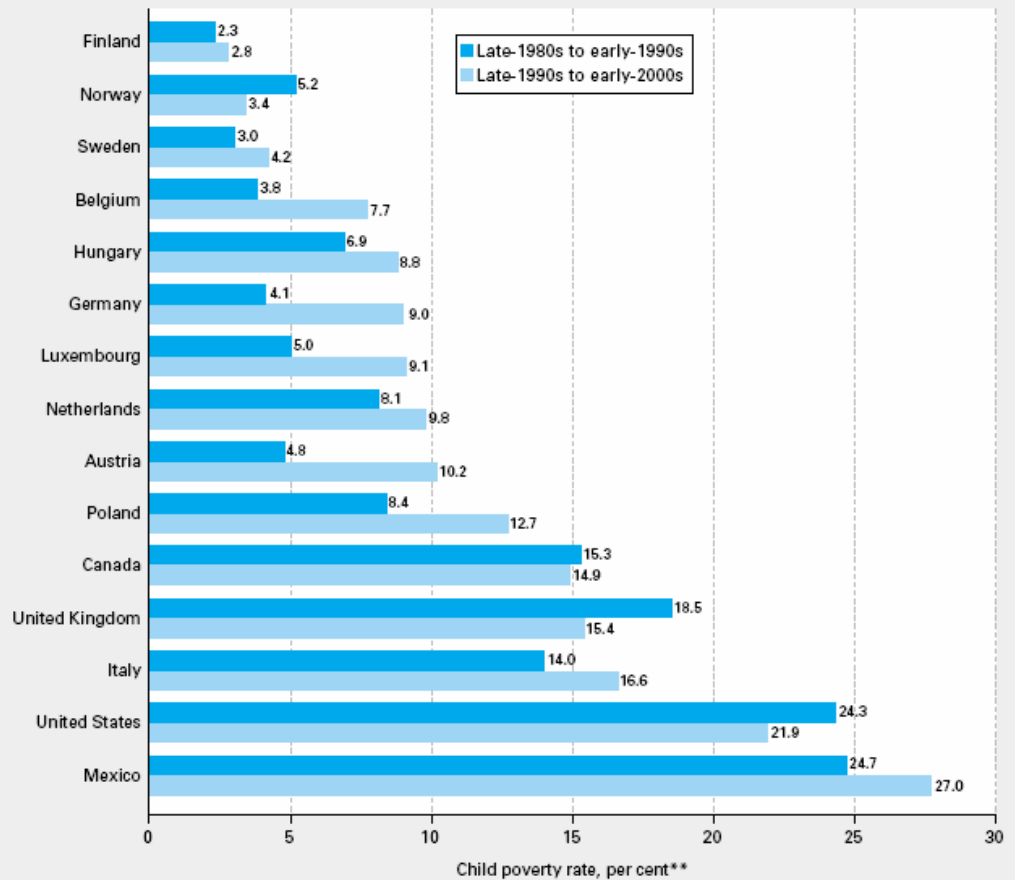
- This is a true partnership between the organization and the individual addressing the strategic outcomes for both. It is a balance of giving and getting and generates long term sustainable success. DuPont's successfully re-invention almost every 30 years, for about 200 years is a demonstration of this approach.

We all carry leadership responsibility and can choose the path to adopt. Adopting a path of long term development to build individual and organizational capabilities is central to securing organization success, individual fulfillment and healthy community.

Our Evolving Society

“We can have a democracy or we can have great wealth concentrated in the hands of the few. We cannot have both.” This insight from Justice Louis Brandeis is particularly telling when we look at information about child poverty. The following figure from a recent Unicef study (2004) “The State of the World’s Children 2005” highlights the perilous state of child poverty in the U.S. Child poverty in the U.S. resembles that of Mexico, a country struggling with limited resources, and it is far removed from much lower child poverty rates in developed nations such as those in Scandinavian countries.

Figure 2.4 Child poverty in OECD countries*



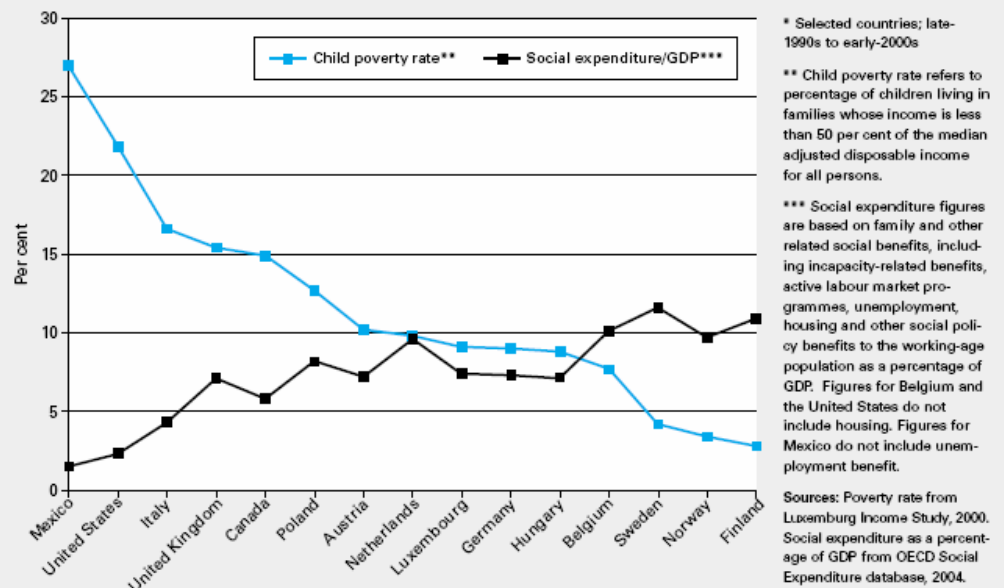
* Selected countries

**Child poverty rate refers to the percentage of children living in families whose income is less than 50 per cent of the median adjusted disposable income for all persons.

Source: Luxembourg Income Study, 2000.

When we look at the resources committed to social endeavors, as shown in the following figure, this alarming position is not surprising. The U.S. is close to the bottom of the group of nations in committing social expenditures as a percentage of GDP. Child poverty levels rise in direct proportion to the reduction in social expenditures.

Figure 2.5 Social expenditure and child poverty in OECD countries*



While most people would see elevated child poverty levels as ethically reprehensible, others might simply respond “I am comfortable so why should I be concerned?” There is a powerful answer to this. The two figures below are taken from a World Bank study by Fajnzylber Pablo, Lederman and Loayza, “Inequality and Violent Crime”, August 2001. The first figure shows intentional homicide rates increasing directly with growing inequality in income distribution as measured by the Gini coefficient. The higher the Gini coefficient the greater the degree of inequality, which leads directly to elevated poverty levels. The second figure shows a similar trend with robbery rates increasing directly with growing income inequality. (The September/October and November/December issues of this newsletter contain information about the Gini coefficient).

Figure 1: Income Distribution and Intentional Homicide Rates, 1965-1994
(5-year-averages)

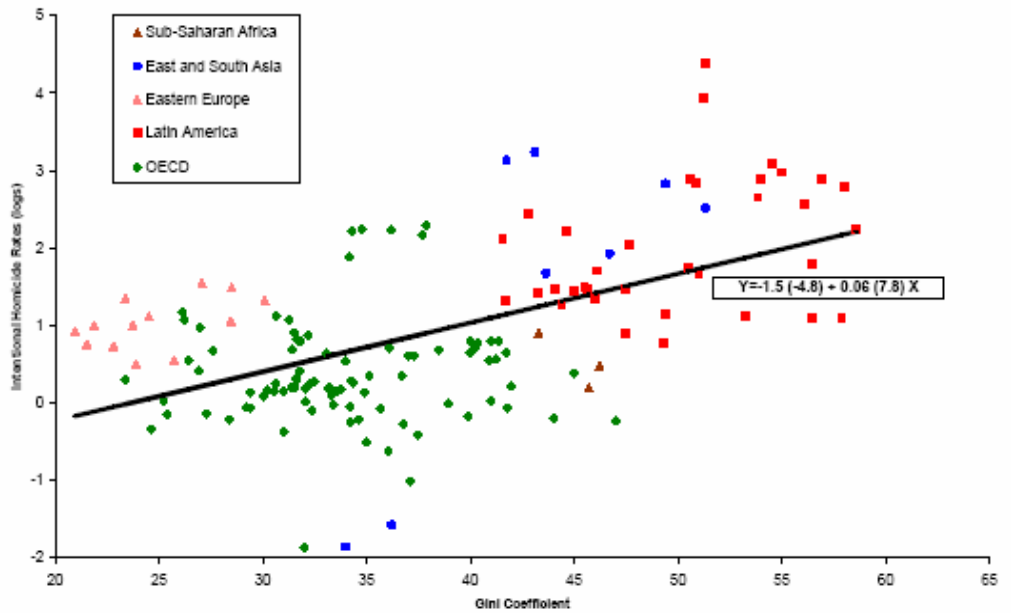
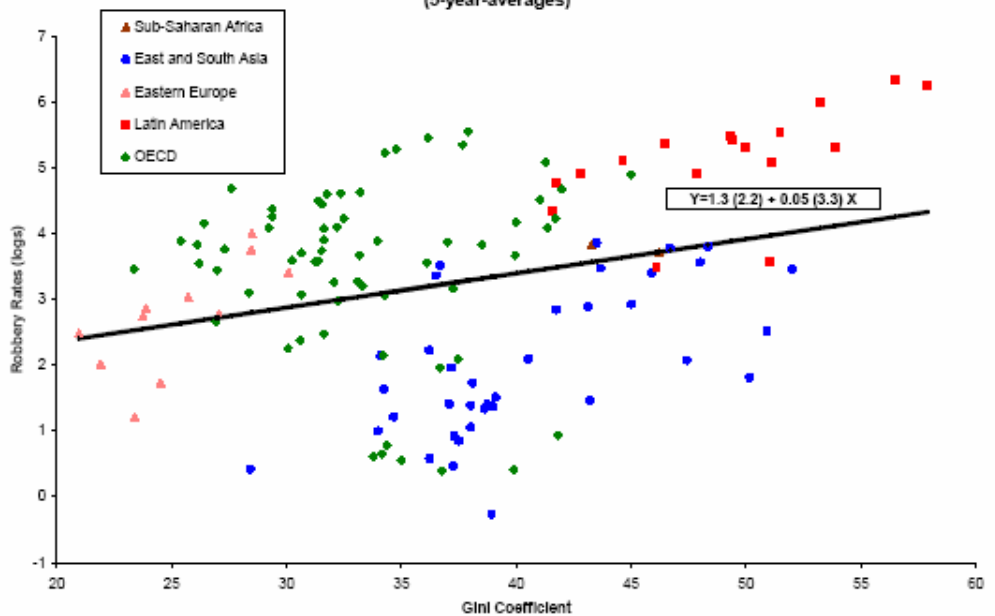


Figure 2: Income Distribution and Robbery Rates, 1970-1994
(5-year-averages)



As we saw in the November/December newsletter, in the U.S. we have gross and growing inequity. We are forced to confront an unpleasant conclusion that, in the words of William Sloane Coffin, “we have a government of the wealthy, by the wealthy and for the wealthy.” We are challenged to respond to this inequity.

Quote

“It is not because we have value that we are loved, but because we are loved that we have value. Our value is a gift not an achievement.”

“Because our value is a gift, we don’t have to prove ourselves, only to express ourselves, and what a world of a difference there is between proving ourselves and expressing ourselves.”

William Sloane Coffin.

Recent and Upcoming Elsdon Organizational Renewal (EOR) Events

- Recent interview in the education field “Affiliation as a Unifying Principle in Education”
<http://community.bridges.com/content/resources/feature/aupe.html>
- “Create a Business Case for Workforce Development.” Presentation for HR Connection, Silicon Valley
 - Friday, February 11, 2005
- “Career Fitness in Turbulent Times: Maintaining Job Search Readiness.” Presentation for UC Berkeley Haas School of Business Alumni
 - Saturday, March 19, 2005, UC Berkeley, Haas School of Business
- “Building Employee Affiliation in a Growing Economy.” Presentation for Foreword Financial Bank Human Resources Conference.
 - May, 2005, Memphis, Tennessee
- “Create a Business Case for Workforce Development.” NCHRA workshop, San Francisco
 - Thursday, May 26, 2005
- “Becoming Career Fit in Turbulent Times” for PMI-ISSIG PDS’05 Symposium, San Francisco
 - 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

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
 - 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