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Bringing Work to Life

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## Welcome

Welcome to the latest issue of Bringing Work to Life.

We explored the following topics in the past twelve issues (all newsletters are available at [www.elsdon.com/newsletters.htm](http://www.elsdon.com/newsletters.htm)):

- Career stepping stones (Fourth Quarter 2009)
- Portfolio careers (Third Quarter 2009)
- Career windows (Second Quarter 2009)
- Handling upheaval (First Quarter 2009)
- Career transformation (Fourth Quarter 2008)
- Career interdependence (Third Quarter 2008)
- Demystifying workforce metrics (Second Quarter 2008)
- Transforming a Human Resources (HR) career (First Quarter 2008)
- Stewardship and governance (November/December 2007)
- Finding the peaks (September/October 2007)
- Career plateaus – what to do about them (July/August 2007)
- Workforce planning (May/June 2007)

In this issue we address “The Purpose of Organizations.”

## The Purpose of Organizations

An interesting comment from a friend and colleague prompted this article. She said “your comments and writing suggest that you don’t believe in capitalism.” Having



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Ron is author of *Affiliation in the Workplace: Value Creation in the New Organization*, 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.

spent my working life in a capitalist environment, and observing the substantial contributions it makes to our lives, this was a little surprising. It caused me to reflect and acknowledge that I have become increasingly concerned that unbridled capitalism, when it becomes only an expression of the individual greed and ego that led to the recent economic collapse, presents fundamental challenges. A face of capitalism that honors and respects societal obligations can be a powerful force for good. One which does not, diminishes the lives of citizens. So it is in this context that we explore the purpose of organizations.

What is success for an organization? On one level an answer to this question is that success is a tangible increase in organizational value, which is reflected in shareholder value. However, shareholder value does not address the purpose of nonprofit organizations and there are other aspects in a for-profit organization that need to be included. Considering the organization as part of a broad social network, affecting the lives of employees, the communities in which it operates, and the destinies of partner, customer and supplier organizations, it is reasonable to conclude that factors other than short-term shareholder value are also critically important. One pre-eminent factor is the social contribution of the organization. This means the extent to which the organization enhances the quality of life for those in its constituent communities. Indeed this social influence is the essence of the long-term contribution of the organization. Value creation in financial terms, particularly related to shareholder value, is simply a subset of this larger contribution. The organization makes this larger contribution by being a key link in the chain between individuals and the broader constituent communities in which it operates. This brings us to the following questions that speak to organizational purpose. They are particularly pertinent for those in leadership and HR roles in organizations:

- What is the nature of the relationship that should be built with people in the organization? Is it based on growing capabilities and accomplishments over time, or is it based on short-term transactions?
- How can an environment be crafted that enables each person to reach his or her full potential?
- How is the creation of value in the organization maximized while respecting the needs of each person in it?
- What is the appropriate role of the organization in supporting community well-being?

*What is the nature of the relationship that should be built with people in the organization? Is it based on growing capabilities and accomplishments over time, or is it based on short-term transactions?* The process of workforce characterization described in *Affiliation in the Workplace* (Elsdon 2003), and in the September/October 2006 issues of *Bringing Work to Life*, provides a basis for identifying different segments of the workforce and defining the form of relationship sought for each segment. For example, in one workforce segment organizational and individual needs may be best served by an extended relationship of continued development, in another segment an emphasis on meeting fixed term contractual commitments, maximizing flexibility and supporting departure when needed may be most appropriate. The workforce characterization process is an important precursor to setting mutually acceptable expectations on the part of the individual and the organization. It leads to multiple forms of relationship for a

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.

given organization that can cover a broad spectrum from in-depth, extended relationships to short-term engagements

*How can an environment be crafted that enables each person to reach his or her full potential?* Leaders can begin to address this question by identifying, nurturing and communicating an inspiring purpose for the organization that causes people to affiliate. Under the umbrella of such a purpose, the provision of a framework and tools are needed to enable each person to strengthen their self-knowledge and then define a fulfilling personal path forward. The framework and tools also need to include creating an open environment that provides information about, and access to, opportunities internally and with workforce partners.

*How is the creation of value in the organization maximized while respecting the needs of each person in it?* When leaders create an environment that enables each person to understand their aspirations, to understand where they can be most effective, and systems that allow people to align their work with their preferences remarkable alignment also occurs between individual and organizational objectives. This does not mean installing complex bureaucratic processes. Instead it means equipping people with the wherewithal to take initiative for their own development and providing incentives, support and tools to help them do so. It also means structuring rewards for managers to encourage development of individuals, which may mean their movement within the organization.

*What is the appropriate role of the organization in supporting community well-being?* The organization plays a pivotal role in bridging from the needs of individuals to those of constituent communities. Demonstration of contribution to social good is a fundamental purpose of organizations, with shareholder value creation a subset of this. With that in mind leaders must continually reassess the contribution of their organizations to a broad range of constituents. This is strengthened by developing the equivalent of a balanced scorecard, only now extending well beyond traditional internal boundaries to community interaction and influence.

This latter perspective further underlines what success is for an organization. For the organization's broad contribution to all of its constituent communities defines such success. Reaching for this success means being clear about individual purpose, a crucial issue for leaders and HR. For it is from this self understanding that it is possible to reach out to others and create the needed environments in organizations. It is from this sense of becoming that behaviors flow which respect others. It is when capitalism honors such respect, and the community context within which organizations operate, that it has the potential to be a powerful force for good.

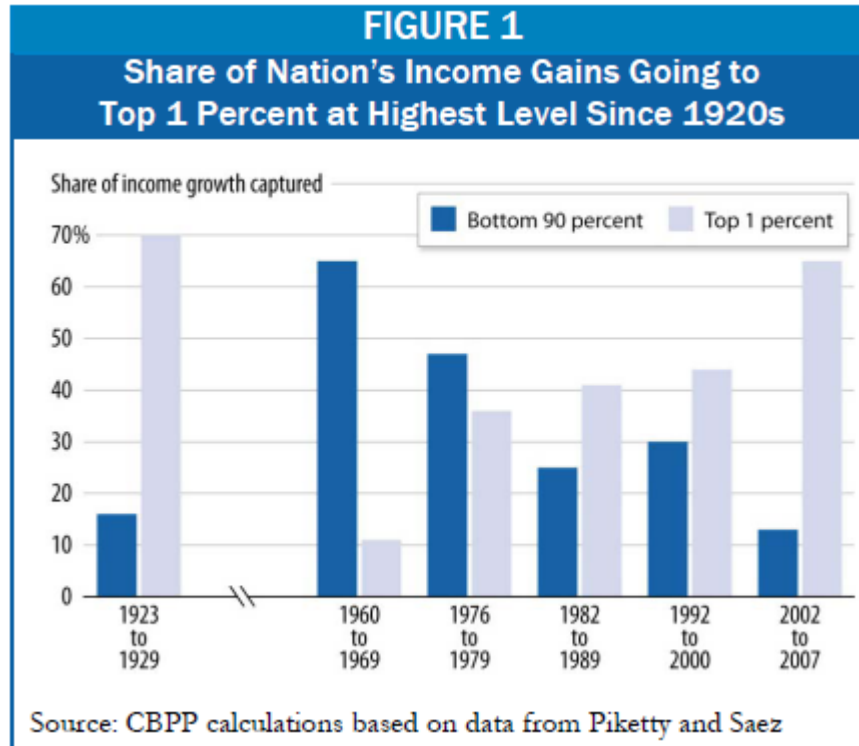
Some of this article is extracted from *Affiliation in the Workplace* by Ron Elsdon (Praeger, 2003).

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## Income, Poverty and Health Insurance Trends

Information from the Center for Budget and Policy Priorities underlines the increase in income inequality that occurred from 2002 to 2007. The following figure shows that two-thirds of U.S. total income gains from 2002 to 2007 flowed to the top 1%

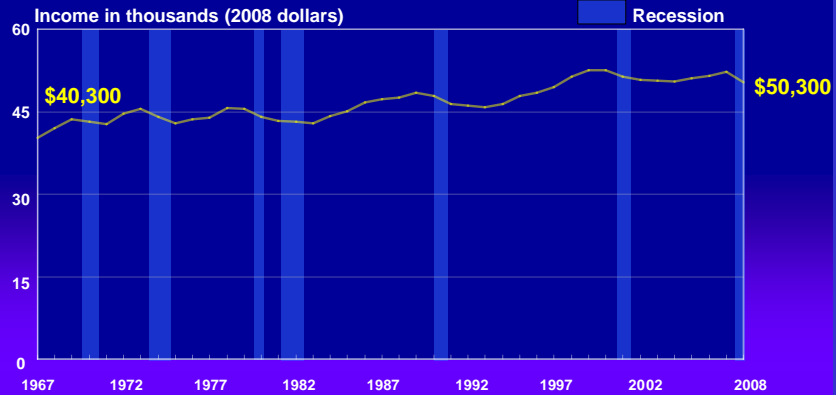
of U.S. households, and that top 1% held a larger share of income than at any time since 1928, just before the great depression (Center for Budget and Policy Priorities, September 9, 2008).



Source: Center on Budget and Policy Priorities, September 9, 2008 Report

Recent information from the U.S. Census Bureau (the following five figures are from a U.S. Census Bureau Report, Income, Poverty and Health Insurance Coverage in the United States: 2008, issued in September 2009) shows that real median household income had declined in 2008 from the level of the early 2000s as shown in the following figure:

### Real Median Household Income: 1967 to 2008



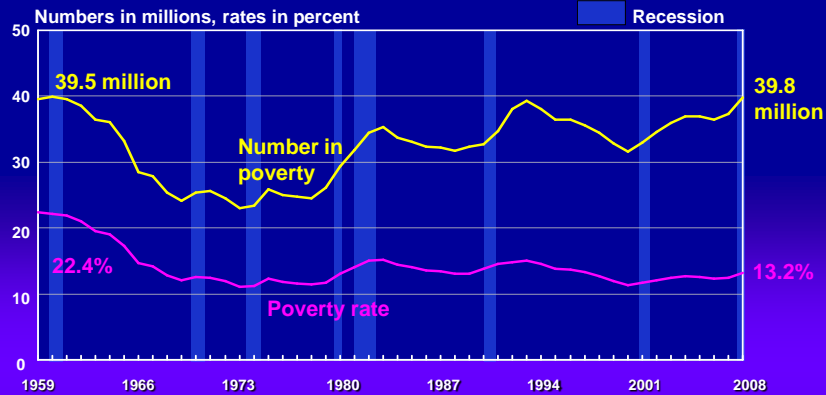
Note: Income rounded to nearest \$100.  
Source: U.S. Census Bureau, Current Population Survey, 1968 to 2009 Annual Social and Economic Supplements.

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Over the same time period the number of people living in poverty increased substantially to 39.8 million in 2008 as shown in the following figure:

### Poverty: 1959 to 2008



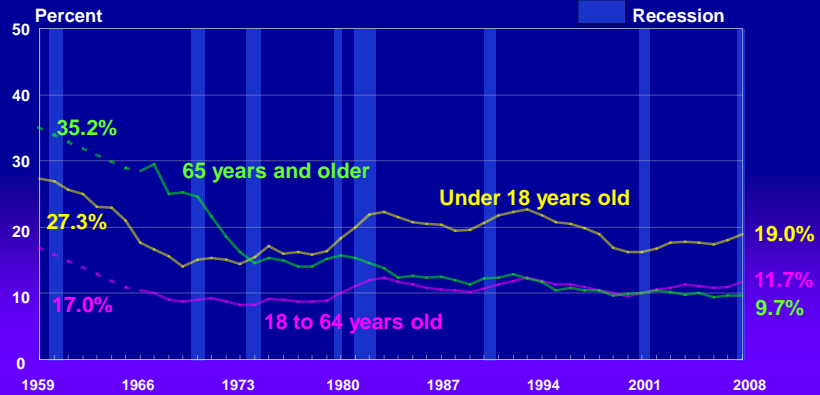
Source: U.S. Census Bureau, Current Population Survey, 1960 to 2009 Annual Social and Economic Supplements.

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Particularly disturbing is the increase in the poverty rate since 2000 of those under 18 years old as shown in the following figure:

### Poverty Rates by Age: 1959 to 2008



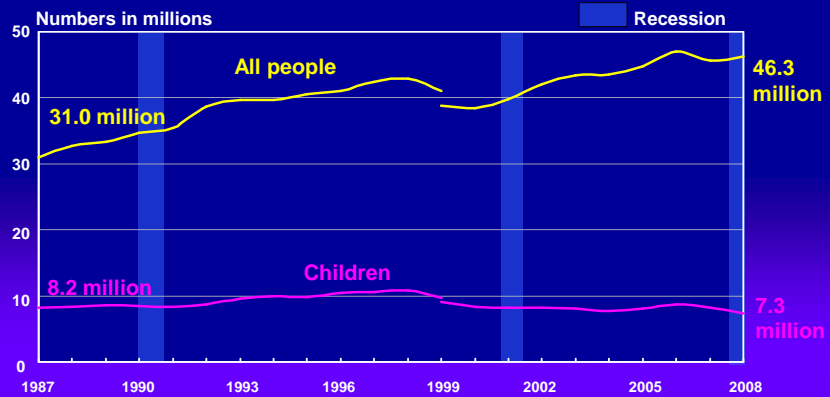
Note: Data from 1960 to 1965 available only for people under 18 years old.  
 Source: U.S. Census Bureau, Current Population Survey, 1960 to 2009 Annual Social and Economic Supplements.

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Over this same time period there was a substantial increase in the number of people without health insurance, reaching 46.3 million in 2008 as shown in the following figure:

### Number of People Without Health Insurance Coverage: 1987 to 2008



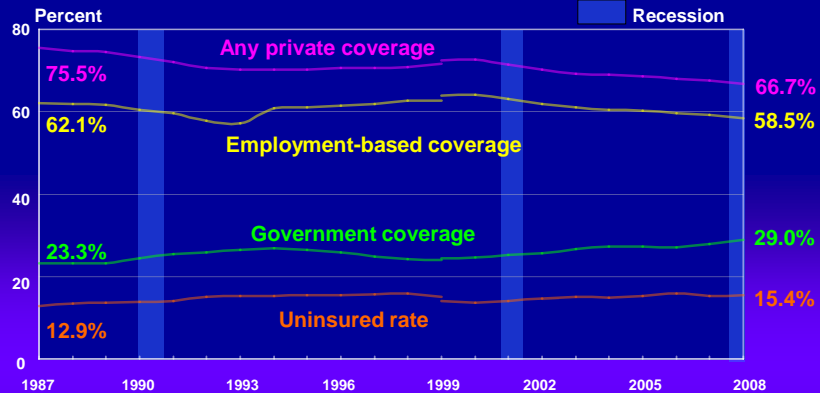
Source: U.S. Census Bureau, Current Population Survey, 1988 to 2009 Annual Social and Economic Supplements.

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The private health insurance approach continued to demonstrate alarming ineffectiveness covering a smaller fraction of the population as shown in the following figure:

## Percentage of People by Type of Health Insurance Coverage: 1987 to 2008



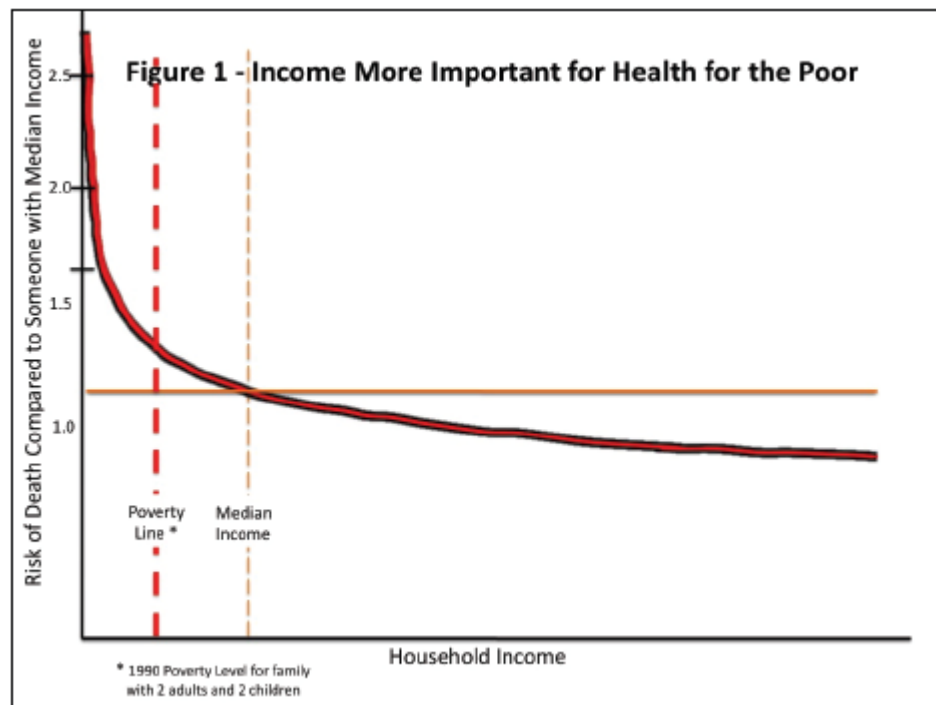
Note: The estimates by type of coverage are not mutually exclusive.

Source: U.S. Census Bureau, Current Population Survey, 1988 to 2009 Annual Social and Economic Supplements.

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These trends have fatal consequences for many in our community. The following figure shows how life expectancy is dramatically shortened when income falls below the poverty line.



Source: Spotlight on Poverty and Opportunity Report “The Poor Pay More” by George A. Kaplan, September 2009.

“From 1980 to 2000, when the poor were losing ground to the wealthy, the life expectancy gap between those living in the most disadvantaged areas (bottom decile) and those living in the most advantaged areas (top decile) increased from 2.8

years to 4.5 years, a 60% increase (Kaplan, 2009).” This trend will likely have intensified since 2000 as income inequality has further increased. All are affected when some are in distress. This underlines why it is incumbent on us to embrace those policies that offer support to those who are disadvantaged in our communities.

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## Quote

"I would love to live

Like a river flows,

Carried by the surprise

Of its own unfolding."

John O'Donohue. *Fluent*. From *Leading from Within*. Edited by Sam Intrator and Megan Scribner.

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## Elsdon Organizational Renewal (EOR) Mentions

- Reviews of “Affiliation in the Workplace: Value Creation in the New Organization.” Ron Elsdon. Praeger, Westport, CT (2003)
  - 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.](#)
  - Greenwood Publishing Group
    - [Affiliation in the Workplace — www.greenwood.com](#)
- Chapter titled “How Can You Grow Your Practice with Purpose?” in National Career Development Association Monograph, “Starting and Growing a Business in the New Economy” Edited by Sally Gelardin, 2007
- Recorded webinars for the American Institute of Chemical Engineers
  - Staying Career Fit in Turbulent Times
    - <http://apps.aiche.org/chemeondemand/Preview.aspx?ID=5b5ab7c8-d88a-4592-8b97-0a8c25eeea59>
  - Networking and Connecting
    - <http://apps.aiche.org/chemeondemand/Preview.aspx?ID=ccdc>

8053-0321-4c3f-b1c7-8c4254e2fffb

- Progressing in Your Organization
  - <http://apps.aiche.org/chemeondemand/Preview.aspx?ID=3fd526f3-ac7e-4a3e-b70b-08d771211e46>
- Negotiating for a New Position
  - <http://apps.aiche.org/chemeondemand/Preview.aspx?ID=aea9e4cc-d045-4d20-bebe-cbba93ab0d1a>
- Webcast for the Human Capital Institute (and associated white paper)
  - Building Workforce Affiliation to Keep Your Best and Brightest Talent
    - [http://www.humancapitalinstitute.org/hci/research\\_community\\_product.guid;jsessionid=8C417EAC34880D6A38E82D4FBE2598C4?\\_webcastID=74366](http://www.humancapitalinstitute.org/hci/research_community_product.guid;jsessionid=8C417EAC34880D6A38E82D4FBE2598C4?_webcastID=74366)
- Recorded webinar for the Project Management Institute
  - “Becoming Career Fit in Turbulent Times”
    - <http://pmi-issig.org/Default.aspx?tabid=319>
- “Building a Strong Workforce Through Affiliation.” Chapter 26 in “On Staffing: Advice and Perspectives from HR Leaders.” Eds. Nicholas Burkholder et al, John Wiley & Sons, Inc., Hoboken NJ (2004)
  - <http://www.wiley.com/WileyCDA/WileyTitle/productCd-0471410691,descCd-tableOfContents.html>
- “The Growing Divide Calls for Advocacy.”
  - Article in March, 2007, NCDA Career Convergence magazine
    - <http://209.235.208.145/cgi-bin/WebSuite/tcsAssnWebSuite.pl?Action=DisplayNewsDetails&RecordID=947&Sections=&IncludeDropped=1&AssnID=NCDA&DBCCode=130285>
- “Reaching for Our Deep Gladness”
  - Article in May, 2005, NCDA Career Convergence magazine
    - <http://209.235.208.145/cgi-bin/WebSuite/tcsAssnWebSuite.pl?Action=DisplayNewsDetails&RecordID=625&Sections=6&IncludeDropped=&AssnID=NCDA&DBCCode=130285>
- Mention in article on cost of turnover
  - East Bay Business Times, April 2005
    - [Turnover costs exceed employers' estimates - 2005-04-25](#)
- “Worklife Survival: Finding a Fit”
  - Article for HR West, February 2005 (Northern California Human Resource Association)

- <http://www.nchra.org/StaticContent/Download/EXT0205007.pdf>
- Interview in the education field “Affiliation as a Unifying Principle in Education”
  - Career Pro News
    - [Affiliation and Education](#)
- MBTI Step II workshop
  - CCDA News, April 2005
    - [Local Chapter News](#)
- Review of ICDC Global Issues Forum
  - CCDA, January 2005
    - [ICDC Global Issues Forum](#)

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## 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.

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## Our Mission

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

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## 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.

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## 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:

- On-site career services that support the development of your workforce, build strength in depth, increase individual fulfillment and affiliation, and accelerate productivity growth
  - On site career counseling
  - Individual and group delivery
  - Metrics to guide on-going system enhancement
  - Integrated with the needs of your organization
- 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

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- 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