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Bringing Work to Life

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Welcome

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

- The real scoop (June 2005)
- Listening to the organization (May 2005)
- A kinder, gentler place (April 2005)
- 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 leadership courage.

Leadership Courage

Recent events speak to leadership courage in quite different ways. A helicopter carrying executives from the MBNA company crashed into the East River of New York while taking off from Manhattan on June 18, 2005. Everyone on board

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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.

escaped alive. Some were pulled from the choppy waters by everyday New Yorkers including one grocery store delivery worker who leapt into the water to rescue people (New York Times 6/12/2005, page A12). This quiet, selfless act of courage is in contrast to behavior revealed in a trial reaching its conclusion at the same time close by. In this trial Dennis Kozlowski, the former CEO of Tyco was found guilty of fraud, conspiracy and grand larceny for a combination of stealing and covertly selling “artificially inflated” shares, with a combined value of \$580 million. This fraud is equal to the annual compensation of more than 1600 people at an average U.S. level.

In one case we see an act of personal leadership courage from someone with little formal authority; in the other we see abuse of power and personal greed from someone given much formal leadership responsibility. This brings us face to face with leadership courage and what it means. We can look back in history to towering national figures. For example, FDR rescuing a nation from a spiral of economic decline and joining a world partnership to overcome nationalistic forces of exclusion and greed. Standing here for social and political principles that elevated all members of society, not just the wealthy or the powerful. We can also look to the people who touch our own lives and see leadership courage in quiet abundance. This year I have been blessed to see leadership courage shown by:

- Committed staff in a leading healthcare organization understanding and acting on employee concerns, and bringing together management and union representatives for the benefit of all
- Educators and college faculty coming together so that each can learn from the other for the benefit of students
- The owners of a small business taking steps to build an inclusive, supportive environment, creating a successful, growing enterprise
- Staff in a vibrant public sector organization supporting employees with on-going individual development for their benefit and for the benefit of the community
- A leader in a successful financial organization supporting one of her managers struggling with personal difficulties
- Leaders in a successful utility focusing on understanding and addressing employee concerns to enhance work life and to build productivity
- Leaders in a division of a well established consumer products organization focusing on development and behaviors to strengthen division contributions
- Leaders in a non-profit organization gathering information to inform their process of building a strong Board
- Leaders in an MBA program providing resources to support students launching in new directions
- A leader holding true to his principles in creating a new financial fund
- Clients forging new paths that express their depth of contribution and enhance their fulfillment

How different these are from the ruthless and ineffectual behaviors of those in Fortune’s surveys of the toughest corporate bosses in the 1980s. Today we see the demise of some such people, recently Philip Purcell announcing his departure as

chairman and CEO of Morgan Stanley, cited as being autocratic, ruthless and remote (Nocera, New York Times).

Daniel Goleman in *Primal Leadership* identifies effective leaders as being more values driven, flexible, informal, open and frank than in times past. These are behaviors that dispel fear and are central to leadership courage. Along with changing approaches, the language we are using is changing. I was asked recently, by someone reviewing a draft of an upcoming workshop, if the term Leadership Courage was a mistake. It wasn't. Gregg Thompson of Bluepoint Leadership Development points out how much our language needs to adapt to the emerging style of leadership. So that words like courage and sacrifice complement vision and commitment; promises joins deliverables and honor joins ethics. We need to speak from the heart as well as the head, for in so doing we speak on a deep level with those around us.

Let's look at what we mean by leadership courage. Let me suggest that there are several components. As an individual it means:

- Knowing who we are and what we stand for
- Living with authenticity
- Gauging success from within
- Gathering strength from isolation

Today self understanding is recognized as a key leadership competency, so different from the world of twenty years ago. For in understanding ourselves we can begin to understand others. What is it in our behavior that causes people to think and act in the way they do? What is it about our behavior that either energizes or limits those around us? From a leadership perspective, what is needed to awaken the music of those in the organization such that they and the organization are direct beneficiaries? It is in answering these questions that we confront leadership courage.

How about living with authenticity? I recall hearing the actor Dustin Hoffman, speak about his early life and formative experiences, mentioning that he was not a particularly good student and that academic studies did not ignite much passion in him. When he was young he had been playing jazz piano and even went so far as to play in a band, but did not like it. Then he attended an acting class at a local community college in Los Angeles when he was about 18 or 19. His comment: "The ten hours of this class seemed like ten minutes and I knew what I wanted to do for the rest of my life." This was an epiphany for Dustin Hoffman. Most of us are not as fortunate in seeing so clearly the expression of our work lives. But it is there for all of us. Leadership courage is about bringing that expression forth.

What do we mean by gauging success from within? Here is the poet Pablo Neruda (quoted by David Whyte) speaking of his internal awakening: "I didn't know what to say, my mouth could not speak, my eyes could not see and something ignited in my soul, fever on unremembered wings and I went my own way deciphering that burning fire and I wrote the first bare line, bare without substance, pure foolishness, pure wisdom, of one who knows nothing and suddenly I saw the heavens unfastened and open." It can be this way in organizations, as each person realizes his or her sense of calling, awakens their music, the music of the whole organization stirs.

Leadership courage brings this forth.

Leadership can be a lonely place. Studies have shown that the most effective leaders are those able to gather strength from isolation. They create time and place for themselves in which to regularly reflect and refresh. This is part of our quest for leadership courage.

As we look out into the organization leadership courage is manifest by:

- Creating and nurturing a sense of purpose

This ennobles others and builds strength and affiliation in organizations. This sense of purpose lights the way for the organization and all those in it. It is a beacon standing firm in the community, helping create an environment in which people flourish. We have the opportunity to build organizations that ignite and nurture this spark in each person. In so doing we close the gap between each person's reality and potential.

- Creating an environment in which people flourish

In the April, 2005 newsletter we explored the different forms of relationship that we can create in organizations: cooperative, competitive, exploitive, divisive, regenerative and inclusive. Leadership courage means standing for mutually beneficial relationships, those that are cooperative, regenerative and inclusive, those that honor all involved. We see it in organizations like Costco, Southwest Airlines, Starbucks and Whole Foods, which value their employees and, as a result, greatly outperform their competition.

- Living the principles of inclusion

Inclusion as a key differentiator for organizations. Such differentiation can occur through:

- Internal inclusion, namely workforce diversity
- External inclusion, namely partnerships
- Community inclusion, namely philanthropy
- Global inclusion, namely pursuit of a greater good

Each form of inclusion provides an opportunity to build organizational strength and flexibility. Given our rapidly changing external environment, flexibility is central to survival and success. This flexibility is enabled by breadth of inclusion.

These four components of inclusion can be integrated into the core of the organization, leading to a transcending purpose that is ennobling for everyone in it. This builds a deep sense of affiliation. These are complex and weighty issues that do not vanish with the latest quarterly earnings report. Rather they serve as a reminder to focus on the importance of reaching for a greater sense of purpose. They are brought alive by leadership courage.

Demonstrating leadership courage requires a depth of self-understanding to bring

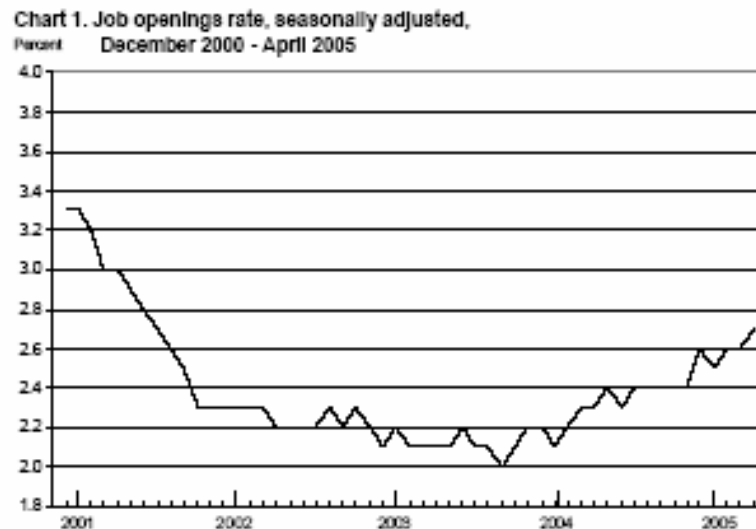
clarity to purpose and direction; a willingness to show vulnerability and be open; listening at a deep level; being timely, concise, accurate and personal in communications; the ability to synthesize and make sense of data overload; and connecting to build links in organizations and communities. These are behaviors and skills that we can develop and master.

There are many pressures to stray from this path, pressures from external constituencies or others within the organization. These pressures may come from the financial community demanding actions to enhance short-term performance, which are detrimental to long-term capability. They may come from within the organization to distribute disproportionate rewards. They may come from other organizations or from customers seeking unreasonable, preferential treatment. The courage to resist such pressures and to hold true to a purpose of deeper meaning and transcending purpose is a measure of true leadership courage. It is within our grasp to stand for something great, as in those choppy waters off Manhattan.

(Some passages are excerpted from *Affiliation in the Workplace: Value Creation in the New Organization*, Ron Elsdon, Praeger, 2003. Should you wish to know more about EOR's comprehensive leadership development capabilities please feel free to contact us at renewal@elsdon.com, 925 838 2362)

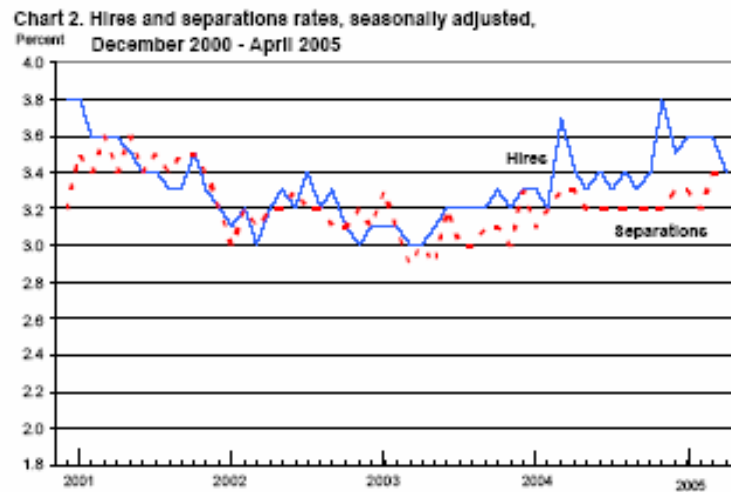
Workforce Trends

Since September 2003 the job openings rate has steadily increased as shown in the figure below, although at 2.7% it is still well below the 3.3% level in early 2001. At the end of April 2005 there were 3.7 million job openings in the U.S.



Source: U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover: April 2005, Release, June 7, 2005

This translates into a hiring rate that has exceeded the separation rate (both voluntary and involuntary separations) since early 2004 as shown in the following figure.



Source: U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover: April 2005, Release, June 7, 2005

However for the first time in over a year, the hiring and separation rates were equal in April 2005 at 3.4%. Voluntary separations (other than retirement) were 1.9%, involuntary separations were 1.2% with other separations (retirement) at 0.2%. Over the past 12 months hires have averaged 4.6 million per month, 0.3 million more than separations. We must continue to ask the question what is the nature of the employment relationship that we are hiring people into. Our quote this month shows one perspective that also speaks to leadership courage.

Quote

This is Howard Schultz the founder of Starbucks (from his biography quoted by Terry Pearce in *Leading Out Loud*): “Years later, that image of my father – slumped on the family couch, his leg in a cast, unable to work or earn money, and ground down by the world – is still burned into my mind. Looking back now, I have a lot of respect for my dad. He never finished high school, but he was an honest man who worked hard

The day he died, of lung cancer, in January 1988, was the saddest of my life. He had no savings, no pension. More importantly, he had never attained the fulfillment and dignity from work he found meaningful.

As a kid, I never had any idea that I would one day head a company. But I knew in my heart that if I was ever in a position where I could make a difference, I wouldn’t leave people behind.”

Here is Starbucks first guiding principle: “Provide a great work environment and treat each other with respect and dignity.”

Upcoming Elsdon Organizational Renewal (EOR)
Events and Recent Mentions

Upcoming Events

- “Using Measurement to Guide Employee Development and Training” HR Metrics Conference, NCHRA, San Francisco
 - Tuesday, August 16, 2005
- Upcoming presentation for U.C. Berkeley, Haas School of Business Alumni
 - September, 2005

Recent Mentions

- 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](#)
- “Reaching for Our Deep Gladness”
 - Article in May, 2005 NCDA Career Convergence Magazine
 - [NCDA Career Convergence Magazine](#)
- Review of MBTI Step II workshop
 - CCDA News, April 2005
 - [California Career Development Association - Articles](#)
- Recent 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>
- Review of 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
 - 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

