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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)):

- Our greatest asset (May/June 2006)
- Bringing development and performance home (March/April 2006)
- Progressing in your organization (January/February 2006)
- Bringing our best to work (December 2005)
- The promise of affiliation (November 2005)
- Nothing business, it's just personal (October 2005)
- Who are you? (September 2005)
- Leadership roles (August 2005)
- Leadership courage (July 2005)
- The real scoop (June 2005)
- Listening to the organization (May 2005)
- A kinder, gentler place (April 2005)

In this issue we challenge traditional ways of thinking about our work and explore various options in "New Horizons."

## New Horizons

"There are only two kinds of workers, owners or temps." These thought provoking



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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

words from Rich Feller of Colorado State University give us pause to reflect on how we connect to our work. Certainly employment-at-will contracts that institutionalize the right of an organization to terminate employment on short notice speak to a temporary relationship. Organizational behaviors such as mass layoffs, elimination of defined benefit retirement plans, and reduction of health care support also speak to a mentality of employment convenience rather than permanence. Indeed this quote (which I believe is from Calvin Associates, Money, 1994) frames employment well: “Nobody has a job anymore. All you have is an assignment. It’s like an actor who lands a part. You don’t know how long it may last. You are your own small business whether you like it or not.” Let’s look at what this might mean when we consider various approaches to engaging with our work.

A recent study of the local, healthy economy, in the Tri-Valley area near San Francisco where we live (Wellspring for Entrepreneurship and Innovation, A Report of the Preserving Prosperity Project, Tri-Valley Business Council, July 2005) provides some insights to unfolding changes. This study shows that firms with five or fewer employees:

- Accounted for 80% of firms in the region.
- Generated the largest share of the region’s economic revenues in 2003, up substantially from 1990.
- Showed the highest rate of productivity growth as measured by revenue per employee from 1990 to 2003, experiencing more than a 40% increase, while larger firms experienced declines.
- Contributed to job growth. Firms with under 100 employees gained jobs every year but one between 1991 and 2003, while the largest firms lost jobs every year but two in the same time frame.

Similarly a recent study examining job creation in California (David Neumark et al, Business Establishment Dynamics and Employment Growth, November 2005, The Hudson Institute) demonstrates the birth of new firms as central to job creation. Entrepreneurial activity strengthens our communities. How does this translate to options on a personal level?

The following figure examines the benefits and challenges of five alternative forms of work engagement:

- Conventional position in a larger organization
  - Full time employment relationship
- Part time position in an organization
  - On-going relationships that allows for parallel work activities
- Contract/consulting
  - Bringing expertise to assignments on a project basis
- Start/buy a business
  - Creating ownership through purchase or development of a business
- Portfolio career
  - Combining various work elements, for example contract work, teaching, building a practice

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.

## Some Alternative Forms of Work Engagement

Option	Benefits	Challenges
Conventional position in an organization	<ul style="list-style-type: none"> <li>▶ Short term income</li> <li>▶ Group benefits</li> <li>▶ Part of team</li> </ul>	<ul style="list-style-type: none"> <li>▶ Instability</li> <li>▶ Others define options</li> </ul>
Part time position in an organization	<ul style="list-style-type: none"> <li>▶ Flexibility</li> <li>▶ Parallel work activities</li> </ul>	<ul style="list-style-type: none"> <li>▶ Own benefits</li> <li>▶ More tenuous link</li> </ul>
Contract/consulting	<ul style="list-style-type: none"> <li>▶ Specialized expertise</li> <li>▶ Set own direction</li> </ul>	<ul style="list-style-type: none"> <li>▶ Need to sell and deliver</li> <li>▶ Own benefits</li> </ul>
Start/buy a business	<ul style="list-style-type: none"> <li>▶ Set own direction</li> <li>▶ Financial</li> </ul>	<ul style="list-style-type: none"> <li>▶ Need business savvy</li> <li>▶ Time demands</li> </ul>
Portfolio career	<ul style="list-style-type: none"> <li>▶ Set own direction</li> <li>▶ Match aspirations</li> </ul>	<ul style="list-style-type: none"> <li>▶ Time demands</li> <li>▶ Uncertainty</li> </ul>



The conventional position in an organization offers benefits of short term income, access to group benefits such as health care at preferred rates and the opportunity to be part of a team. In today's work world, disadvantages of the conventional position are instability from frequent workforce restructuring, and others defining options, for instance employment location.

A part-time position in an organization can provide flexibility to accommodate parallel work activities. It suffers from the disadvantages of likely higher cost of benefits that need to be secured independently, and a more tenuous link to the organization, with perhaps a lower sense of inclusion. Securing benefits independently though does provide assurance of continued availability, which is compromised when leaving group plans in a large organization.

Contract or consulting work is based on bringing specialized expertise that others value and are willing to purchase. There is much freedom to set direction. Disadvantages are the need for a broad skill set that includes both selling and delivering services, although some of these elements may be available through partnership. It also means securing benefits independently

Starting or buying a business offers great freedom in terms of setting direction, and the possibility of significant wealth creation. Success here means meeting the challenges of bringing business savvy to the various stages of business growth, and extensive time demands.

The portfolio career may contain elements of the part time position, contract/consulting work and buying or building a business, interwoven to match personal interests. As a result the direction chosen can match personal aspirations most closely. Potential disadvantages are heavy time demands and uncertainty about business success, although this is mitigated by the breadth of activities that are included. Here benefits also need to be secured independently

How might we assess the relative appeal of each possibility? An important first step is building self-understanding about personal aspirations and how they match the various options. Some thoughts about how to build self understanding are offered in the October 2005 issue of *Bringing Work to Life*. Given clarity about personal aspirations, we can now examine the options from a risk reward perspective. Just as with financial investments there is a degree of subjectivity in assessing risk/reward profiles. The following figure shows one perspective on risk/reward profiles for the five options we outlined:



The conventional position at the lower right side of the figure has an unenviable combination of high risk as others make determinations about the future, and low returns as rewards in most large organizations accrue disproportionately to those at the top. At the opposite extreme, of high reward and low risk, we see the portfolio career. Here risk is mitigated by breadth of activities. Reward is retained, being built on personal knowledge, commitment and execution. Starting/buying a business at the upper right offers high reward, but at high risk, particularly if significant initial investment is required. The contract/consulting position sits in the middle. There is less opportunity to mitigate risk than with a portfolio career. It does, however, offer greater rewards than the part-time position. The part time position at the lower left carries both lower reward and lower risk. Rewards are capped by the organization, and risk is mitigated by the ability to pursue more than one opportunity at the same time. One astute observer recently commented that the conventional position and the portfolio career have exchanged their respective positions over the past 10-20 years.

More importantly than the precise placement of these options, is the process of considering them from a personal perspective. For you this profile may look different. For all of us it points to a world of new horizons that extends well beyond conventional full time employment. It can speak to the opportunity for each of us,

as Rich Feller puts it so well, to change our focus from “being the best in the world” to “being the best for the world.”

For those charged with workforce responsibility in an organization, competition for people may increasingly come not from other organizations, but from alternative forms of work relationship, such as we have examined, which allow people more opportunity to exercise individual choice and initiative. Addressing this form of competition will mean fundamentally re-examining the organization’s offer relative to individually crafted paths. It will also mean that those charged with organizational responsibility carefully examine operating practices such as equitable compensation distribution. It will mean building depth and continuity of workforce relationships, so that affiliation with an organization is an attractive option for an individual built on integrating individual aspirations with organizational needs.

## Workforce Trends

The continuing trend of a declining U.S. unemployment rate shown in the figure below speaks to both growing opportunity for individuals to explore alternative options, and growing recruiting difficulties for organizations.



This is particularly evident when we look at the more extreme, recent swings in unemployment rates in the San Jose area at the heart of Silicon Valley, as shown in the following figure. We are again approaching full employment, which occurs as the unemployment rate approaches 4%

## San Jose Unemployment Rate (%)



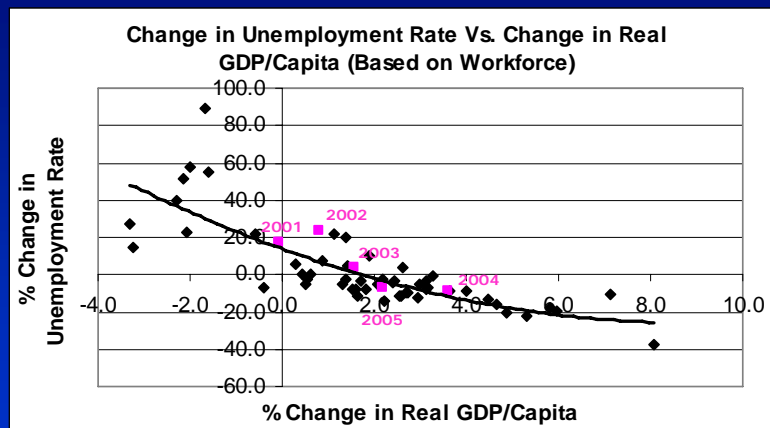
Not seasonally adjusted

Source: BLS



These trends are consistent with our model, developed in the early 2000s for the U.S., that links the rate of change in unemployment rate to the rate of change in real (in 2000\$) Gross Domestic Product (GDP) per capita (based on the workforce). The line in the following figure is based on historical data from 1947 through 2000. Subsequent behavior in each year since 2000 is labeled by year. In 2002 there is some variation from the trend line due to the awful events of September 11, 2001 causing a disproportionately high increase in unemployment rate. For each later year, including 2005, observed behavior closely matches the trend line. If economic growth rates continue at current levels we can anticipate further declines in unemployment rates consistent with the trend line.

## Economic Slow Down & Recovery from 2000 to 2005 Continues to Closely Match Model



Source: Ron Elsdon, Affiliation in the Workplace: Value Creation in the New Organization Greenwood Publishing Group, 2003



Declining unemployment rates are partly due to fewer mass layoffs and resulting initial claims for unemployment as shown in the following two figures from the Bureau of Labor Statistics May 23, 2006 release.

Chart 1. Mass layoff events, seasonally adjusted, May 2001-April 2006

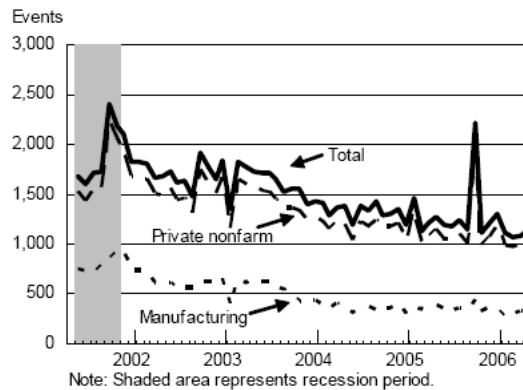
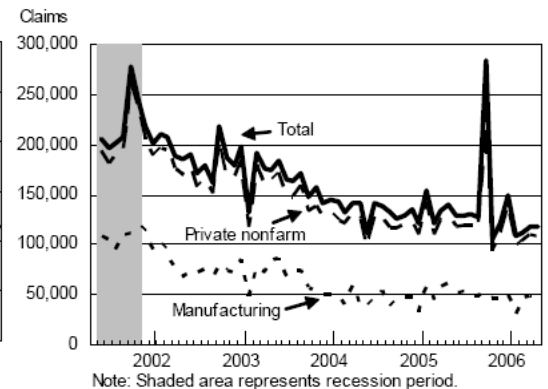


Chart 2. Mass layoff initial claims, seasonally adjusted, May 2001-April 2006



The mass layoff events involve 50 or more people and last at least 31 days.

Compounding these short term trends, we can anticipate further tightening of labor market conditions due to the longer term demographic trend of declining workforce growth rates (Bringing Work to Life, April 2005).

## Quote/Story

This is a story about a three-year-old girl who was the only child in her family. But now her mom is pregnant, and this three-year-old girl is very excited about having a baby in the house. The day comes where the mother-to-be delivered, and the mom and dad go off to the hospital. A couple of days later come home with a new baby brother. And the little girl is just delighted.

But after they've been home for a couple of hours, the little girl tells her parents that she wants to be with the baby in the baby's room, alone, with the door shut. She's absolutely insistent about the door being shut. It kind of gives her folks the willies, you know? They know she's a good little girl, but they've heard about sibling rivalry and all of this.

Then they remember that they've recently installed an intercom system in preparation for the arrival of the new baby, and they realize that they can let their little girl do this, and if they hear the slightest weird thing happening, they can be in there in a flash.

So they let their little girl go into the room. They close the door behind her. They race to the listening post. They hear her footsteps move across the room. They imagine her now standing over the baby's crib, and then they hear her say to her two-day-old baby brother, "Tell me about God. I've almost forgotten."

From Marcus Borg, *Listening for the Voice of God*, attributed to Parker Palmer

## Upcoming Elsdon Organizational Renewal (EOR) Events and Recent Mentions

### Upcoming Events/Publications

- Webinar for Project Management Institute
  - August, 2006, “Becoming Career Fit in Turbulent Times”
- Chapter titled “How Can You Grow Your Practice with Purpose?” for National Career Development Association Monograph
  - Likely publication date: late 2006/early 2007

### Recent Mentions

- Reviews of “Affiliation in the Workplace: Value Creation in the New Organization.” Ron Elsdon. Praeger Publishers, 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](#)
- “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>
- “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>
- 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>
- Recent interview in the education field “Affiliation as a Unifying Principle in Education”
  - Career Pro News
    - [Affiliation and Education](#)
- Review of ICDC Global Issues Forum
  - CCDA, January 2005
    - [California Career Development Association - Articles](#)

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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:

- 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

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- 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