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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 (www.elsdon.com/newsletters.htm) we explored the topics of:

- 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 “Listening to the Organization.”

Listening to the Organization

In last month’s newsletter we looked at the different forms of relationship we can choose to foster in our organizations. We acknowledged that cooperative relationships offer substantial benefits and that listening is a central component. This month we explore listening in more depth.

You may recognize your organization or your experience in one of these quotes:

founder of *Elsdon 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.

“If I had received one tenth of this attention previously, that I have had since I told my boss I was leaving, I would never have even thought about leaving.”

Key employee to HR Director – high tech.

Result for the organization: lost a key employee.

“I thought I just needed to be as good as I could be in my technical area and that I didn’t need to spend time listening to the people in my group.”

Manager: Financial services

Result for the organization: major departmental upheaval and lost productivity.

“I just spend time with people when they first come here learning about what is important, and then at least once a week check in with them about their needs.”

Manager, Call Center.

Result for the organization: people stay affiliated, turnover less than one fifth of the turnover in other units.

The final example shows the power of listening; the first two examples show the consequences of failing to listen. On a personal level Robert Benchley puts it this way “Drawing on my fine command of language I said nothing” (quoted in *People Skills* by Robert Bolton). And how difficult that is. In our culture there is a great felt need to fill silences, to do but not to be. Being present for others by listening strengthens both our personal relationships and our organizations. Let’s explore the organizational context.

Organizations like crowds take on characteristics of their own. When I was a youngster in England, my father would sometimes take me to see a local football match, the kind with the round ball. This was in the days when a seat for a spectator was a luxury. We stood in a seething mass of people that moved and swayed with the ebb and flow of the game. Some weeks it was a benign crowd, other times aggressive and at other times sad. While the fortunes of the local team had much to do with the mood of the crowd later in the game, at the beginning the crowd took on a personality formed by the reaction of each person to the world around them. On one occasion at the local football stadium, I was standing in the car park with friends and about 10,000 other people waiting to begin an overnight walk to raise funds for local charities. The driver of a car made the unfortunate decision to drive through this crowd to a small exit gate. Those at the back, thinking that the walk was beginning, began to press forward and many at the front fell. It was a calamity with many people including myself trapped. I was fortunate to survive this event. Four people perished and many others were hurt. The memory of this is still with me, many years later, along with the sense that I failed to help protect those who perished. In the same night I came to see the great destructive power of a crowd, and the redemptive role of individuals who went on to struggle twenty-four miles for charitable causes. I can still recall the pain of aching limbs after this walk but a greater pain is the memory of my failure to listen to and understand the needs of those around me. This is a mistake that we cannot afford to make in our organizations.

By listening in our organizations we are able to build understanding, diagnose problems, create solutions, build consensus and provide a basis for action. A person who feels understood is ready to engage. Building this understanding flows from

listening to the voices around us so that we know individual needs and the themes that connect individuals. We can then address concerns and opportunities. The history of many organizations is replete with examples of missteps arising from a lack of listening. For example, one organization moved its U.S. headquarters and, in the process, lost most of the workforce from the original location. There was little focus on employee needs and concerns. Another organization repeatedly increased compensation to try and stem the tide of attrition only to find that compensation was not central to employee concerns.

Just as in individual relationships, where listening is central to creating trust, so in an organization listening is central to building affiliation and establishing a foundation for action. There are several aspects to organizational listening that we can influence as follows:

- Process—how listening occurs
 - Informal or structured
- Emphasis—the orientation of the listening
 - Analytical or emotional
- Content—the analytical basis of the listening
 - Thematic or anecdotal
- Context—the setting in which listening occurs
 - Individual or group

Regarding the process, both informal and structured approaches make important contributions. Informal listening is an important means to identify issues at an early stage. These are issues that may not have gathered momentum at an organizational level but are beginning to surface. Informal listening is a safety valve that allows people to express concerns and introduce new opportunities. It occurs most effectively when it is spontaneous and there is a high degree of trust among participants. It is imperative to set aside time for such listening, even though the event itself is spontaneous. Structured listening, on the other hand, occurs when a specific topic has been identified and a mechanism established to gather feedback. Examples of structured listening include employee or exit surveys or focus groups. It is particularly effective when a topic is well defined and known in advance. A hybrid of the two types of listening is a brainstorming session, which provides for some informality in a structured format.

The second dimension is the emphasis of the listening, whether analytical or emotional/affective. While these are not mutually exclusive, there is often a tendency in an organizational setting to focus only on the analytical at the expense of the emotional/affective component. Both are important. Individual preferences and the specific situation will determine the appropriate balance of these aspects. A structured process is more likely to address analytical aspects while an informal process more readily surfaces emotional components.

The third dimension is that of content and the extent to which it is anecdotal or thematic. Does it consist of stories recounting individual experiences or does it consist of general themes identified by gathering input from many people. Again, both have an important role to play in the listening process. Anecdotal listening gathers insights from the recounting of experiences. It usually carries a strong

emotional message that represents one person's reaction to experiences and situations. Processing this type of listening is primarily about accurately understanding individual observations and feelings, as opposed to observing the entire organization accurately. As the results of anecdotal listening carry a strong emotional component they can lead readily to action, which is its strength and weakness, since an individual's perspective may not represent an overall organizational need. Organizational needs are identified through thematic listening, a process of gathering and combining information from individuals that allows conclusions of general relevance to be identified. It is inherently a more analytical process. A combination of the anecdotal and thematic listening approaches is particularly powerful, as the results combine an emotional call to action with a rational determination of key issues.

On a practical level listening can occur in an individual or group context. The benefits of the former approach include confidentiality, which greatly enhances the likelihood of open disclosure, and an in-depth focus on the individual that enhances the likelihood of gathering an informed perspective. The group approach, on the other hand, is beneficial where idea building occurs from people exploring together, such as in brainstorming.

What does it take to create an environment that supports such listening? Here are some key characteristics:

- Openness
- Confidentiality
- Respect
- Responsiveness and reinforcement
- Active engagement
- Inclusion

Open listening occurs in a nonjudgmental setting where there is a willingness to hear sometimes disquieting or unpleasant feedback. It is easy to adopt a defensive posture when receiving feedback. I have observed very different reactions in groups learning about organizational issues. These reactions vary from a search for a major flaw in the data (there isn't one), to denial, to acceptance of the results and a search for solutions. The first two reactions will perpetuate the problem and inhibit additional feedback; the last reaction can lead to rapid, effective action.

Confidentiality is an absolute requirement where sensitive personal issues are involved, as is often the case when seeking to understand concerns in an organization. This is particularly true when the concerns relate to management or leadership behaviors. It is difficult to create an environment where individuals know that their disclosures will be held in confidence, if the recipient of the information is internal to the organization. Use of a third party to gather information can be an effective means to guarantee confidentiality.

In one organization a primary concern raised by employees was lack of respect shown by management. This meant that suggestions went unheeded, that statements from top management appeared to demean segments of the workforce, and that there were few expressions of value or recognition for employees. Respect means

accepting the validity of the opinions expressed, that they are given in good faith with honorable intentions. It is analogous to the unconditional positive regard of Carl Rogers for an effective therapeutic relationship. Respect encourages further openness and expression.

Flowing directly from respect is responsiveness. This means acting on the information generated by organizational listening. It is interwoven with reinforcement, where feedback and actions in response to listening demonstrate both an understanding of the issues and a willingness to take action to address concerns or seize opportunities. Responsiveness and reinforcement lead to further open disclosure, which results in a growing cycle of actions that strengthen the organization and the affiliation of employees.

The final characteristic of effective organizational listening is inclusion. All employees in the organization have a contribution to make. Listening needs to occur broadly and deeply in an organization, not just in select groups or at certain levels of management. Identification of concerns needs to occur where the concerns are most strongly felt. Opportunities can be surfaced at many levels in an organization.

Listening can extend beyond the boundaries of the organization to other core groups such as customers, suppliers, shareholders and the community. Our role will lead us naturally to listening with one or more of these groups. In practicing and guiding organizational listening we will help create a climate that enables each of us to express who we are for the benefit of our organizations and our communities.

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

Exploding a Myth

"If a free society cannot help the many who are poor, it cannot save the few who are rich" are the words of John F. Kennedy. Let's look at two very different responses to this. They are from Costco and Wal-Mart's Sam's Club. An article in the April 12, 2005 edition of Business Week illustrates the contrasts. The following chart from this article compares the Costco approach to its employees with that of Wal-Mart.

	IT PAYS A LOT MORE THAN WAL-MART...	
	COSTCO	WAL-MART'S SAM'S CLUB
Average hourly wage	\$15.97	\$11.52*
Annual health costs per worker	\$5,735	\$3,500
Covered by health plan	82%	47%
Annual retirement costs per worker	\$1,330	\$747
Covered by retirement plans	91%**	64%
<small>*Excludes 25% of workforce that is lower-paid part-timers **Those on the job for less than a year aren't covered</small>		
	...BUT GETS MORE OUT OF ITS WORKERS	
	COSTCO	WAL-MART'S SAM'S CLUB
Employee turnover	6% a year	21% a year
Labor and overhead costs	9.8% of sales	17% of sales*
Sales per square foot	\$795	\$516
Profits per employee	\$13,647	\$11,039
Yearly operating-income growth**	10.1%	9.8%
<small>*For all of Wal-Mart **Over the past five years in the U.S. Data: BusinessWeek</small>		

On every measure in the top section of the table, wages, healthcare benefits, retirement Costco is substantially more generous to its employees than Wal-Mart's Sam's Club. Hourly wages for example are 39% higher at Costco than at Wal-Mart's Sam's Club. The vast majority of Costco employees are covered by health plans, a minority are covered at Sam's Club. And so our rational business school approach would suggest that Costco is in serious trouble. Pats on the back for Wal-Mart's managers and owners for extracting another pound of flesh from their employees?

Not if we look at the reality as shown in the lower half of the table. Costco's committed workforce is turning over at less than one third of the turnover rate at Sam's Club. Given the high cost of turnover (by some estimates 1.5 x annual compensation) such a reduction is a huge productivity boost. And we see this reflected in labor and overhead costs as a percentage of sales at Costco being less than two thirds the costs at Wal-Mart. Efficiency extends beyond people to the use of space where Costco's sales per square foot are 54% higher than Sam's Club. All of this translates to a profit per employee 24% higher at Costco than Sam's Club and a higher rate of growth in operating income.

Not only is Costco benefiting its employees and shareholders, it is also benefiting its communities as employees are able to give more back and draw less on community health services. Costco is not unique; we see other examples such as Southwest Airlines, which by adopting an employee friendly approach has created shareholder value dwarfing that of other airlines.

In last month's newsletter we looked at why a kinder, gentler workplace strengthens affiliation and commitment. Here we see the tangible business benefits from this, from treating people with respect, and seeking not just to take but to give in equal or

greater measure. It falls to all of us as leaders, which we all are, to reflect on what this means in our daily work. Let me offer these as questions to ponder in looking forward:

- Look forward five years
 - You have been working with your organization invigorating the workplace for a number of years
 - Describe what this workplace is now like
 - How decisions are made
 - How people relate to each other
 - How organizational needs are met
 - How individual needs are met
 - How you know that you have been successful

Wishing you well in this quest.

Quote

“I am only one; but still I am one. I cannot do everything, but still I can do something. I will not refuse to do the something I can do.”

Helen Keller

Upcoming Elsdon Organizational Renewal (EOR) Events and Recent Mentions

Upcoming Events

- “Bringing Workforce Development to the Bottom Line.” C.O.O. Connection. San Jose, 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](#)
- Recent mention in article on cost of turnover
 - East Bay Business Times, April 2005
 - [Turnover costs exceed employers' estimates - 2005-04-25](#)

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