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Bringing Work to Life

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In This Issue

- Our Greatest Asset
- Prosperity and Stability
- Quote
- Upcoming EOR Events and Recent Mentions
- About EOR

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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):

- 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)
- Accelerating into your new position (March 2005)

In this issue we look at organizations through the lens of Human Resources (HR), exploring future challenges and opportunities in "Our Greatest Asset."

Our Greatest Asset

"After close to 20 years of hopeful rhetoric about becoming "strategic partners" with



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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

a "seat at the table" where the business decisions that matter are made, most human-resources professionals aren't nearly there. They have no seat, and the table is locked inside a conference room to which they have no key. HR people are, for most practical purposes, neither strategic nor leaders." These disingenuous words come from an August 2005 article in *Fast Company* titled "Why We Hate HR." They capture the challenge and opportunity facing HR practitioners and the HR community. And they partly speak to why the frequently proffered statement "our employees are our greatest asset" is often hollow, true in name only until the next layoff. For the *Fast Company* article goes on to observe "HR doesn't tend to hire a lot of independent thinkers or people who stand up as moral compasses." These harsh words do not describe my colleagues in HR. They do remind me that I need to be more effective in advocating for needed directions and causes. Let's look at some realities for our broader HR community.

The University of Southern California's (USC) Center for Effective Organizations cites a Society of Human Resource Manager's (SHRM) survey showing 76% of HR managers reporting that they operate as business partners, while only 53% of their colleagues in line management shared this view. USC's own surveys in the 1995-2001 time frame showed little change in the balance between strategic and administrative tasks that occupy HR practitioner time (Lawler, Edward and Susan Mohrmann, 2003, *Creating a Strategic Human Resources Organization: An Assessment of Trends and New Directions*. Stanford University Press). And yet senior leaders in organizations are asking for HR practitioners who understand and can relate to organizational needs, demonstrate business acumen and can help the organization navigate the choppy waters of change. They seek HR leaders who show leadership courage, are able to listen well to multiple constituencies and be advocates where needed.

This means that HR leaders (and that means everyone in HR) in meeting the expectations of their customers will need to address at least the following two key areas:

- Understanding workforce value creation and associated strategies
- Building HR leadership skills to execute these strategies

Understanding workforce value creation means answering questions such as the following:

- What are the key value contributions made by the workforce? What workforce vulnerabilities do I face? How do I know?
- What will our workforce need to look like in 5-10 years? How do I know? How will this differ from today? What gaps exist?
- How will I communicate this future to engage with others in building needed workforce capabilities?

Questions such as these require that we are clear about the kind of workforce relationships we are seeking, for it is in those relationships that value is created. In particular workforce strength is built by relationships that are (*Bringing Work to Life*, April 2005):

- Cooperative - the sum of the parts is greater than each individual. Successful

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.

organizations remain together precisely because this is true.

- Regenerative - requiring deliberate, constant challenge to the status quo.
- Inclusive - embracing varied perspectives, viewpoints and practices united by clear purpose and vision.

HR has a primary role in advocating for such effective relationships that strengthen affiliation and lead to enhanced productivity.

This advocacy means addressing the second item mentioned earlier, building HR leadership skills. Management Research Group (MRG) recently analyzed their extensive database of 360 degree feedback results (Kabakoff, Robert, 2005, Leadership Effectiveness Analysis: Best Leadership Practices HR/Personnel North America, Management Research Group), identifying the attributes of North American HR professionals that distinguish those deemed particularly effective by their peers, bosses and direct reports, from those seen as less effective. The analysis builds on the 22 leadership, behavioral sets that MRG has defined. The behavioral sets that distinguish the high performing HR group were found to be:

- Strategic: taking a long range, broad approach
- Technical: in depth knowledge of the field
- Communication: clearly expressing ideas
- Innovative: comfortable with rapid change, willing to take risks
- Persuasive: building commitment by convincing others

While the most effective HR professionals showed **lower** preference for the following behaviors:

- Authority: respecting the opinions of those in authority
- Dominant: pushing for results by being forceful, aggressive and competitive
- Structuring: precise, methodical, utilizing guidelines and procedures
- Self: making decisions independently

Effective HR professionals are strategic thinkers, deeply knowledgeable of their field, interpersonally skilled, willing to challenge authority and open to collaboration.

Brockbank and Ulrich in their 2002 HR competency survey (Brockbank, Wayne and Dave Ulrich, 2003, Competencies for the New HR, University of Michigan Business School, Society for Human Resource Management, and Global Consulting Alliance) reinforce these findings. They identified five key competency domains for HR professionals with seventeen associated, specific competencies. In this case the analysis examined the linkage between competencies and business performance. HR's influence on business performance, based on the five primary domains, was as follows (competency factors within each domain are also shown):

- Strategic contribution: 43%
 - Culture management
 - Fast change
 - Strategic decision making
 - Market-driven connectivity

- Personal credibility: 23%
 - Achieving results
 - Effective relationships
 - Personal communication
- HR delivery: 18%
 - Staffing
 - Development
 - Organization structure
 - HR measurement
 - Legal compliance
 - Performance management
- Business Knowledge: 11%
 - Value chain knowledge
 - Value proposition knowledge
 - Labor knowledge
- HR technology: 5%

Strategic contribution and personal credibility account for two-thirds of the total. HR leaders in the future will need to demonstrate increasingly complex and sophisticated business and interpersonal skills. This means constantly taking the pulse of their own capabilities, continuing to develop, and staying attuned to emerging trends by:

- Listening closely to the organization using formal and informal approaches for early and deep understanding of critical issues
- Achieving mastery in the key strategic and interpersonal skill areas identified earlier
- Advocating as needed for the individual and the organization
- Using both analytical and intuitive approaches to anticipate future workforce needs

It means, in turn, building a personal development framework around the following primary dimensions:

- Strategy and operations
 - Business and core HR issues
- Workforce development
 - Linkage between people and organizations
- Individual understanding and development
 - Clarifying personal aspirations and building personal capabilities

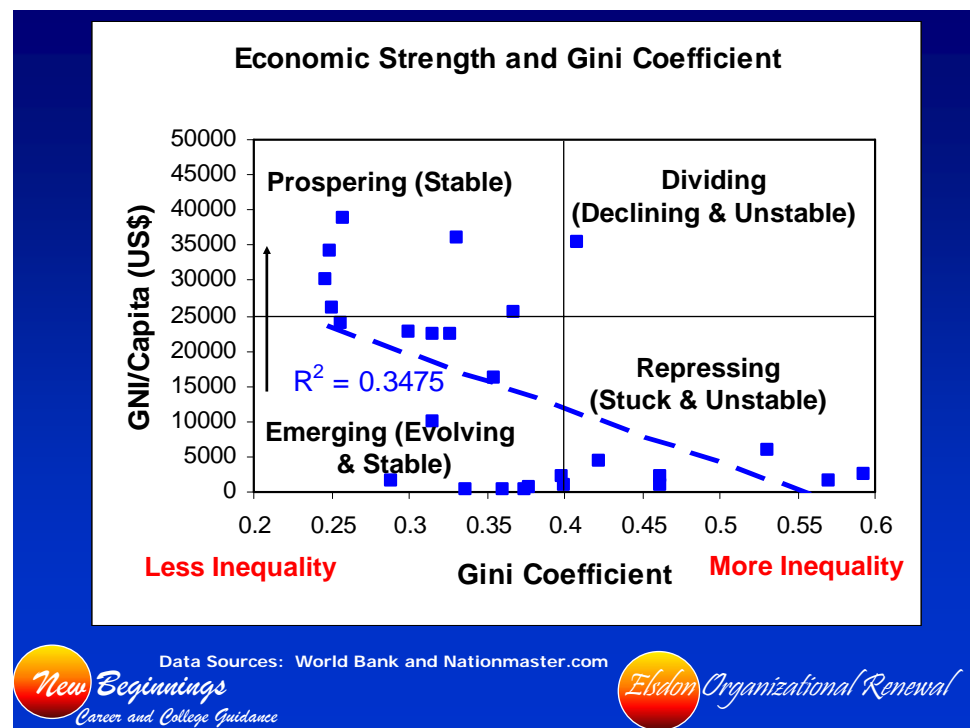
In developing in these and other areas, HR leaders can become the courageous and effective advocates for workforce value creation so needed today and in the future.

Prosperity and Stability

“A rising tide that lifts only yachts” is how the Century Foundation describes our current path in the U.S. For as MSNBC pointed out for the first time in half a century, the third year of a recovery (2004) also saw an increase in poverty. One

commonly used measure of income inequality is known as the Gini coefficient (Bringing Work to Life, November/December 2004). A Gini coefficient of 0 means complete equality, a value of 1 means one family has the entire income for a country, in other words complete inequality.

Let's take another look at inequality by country. The following chart shows Gross National Income (GNI) per capita on the vertical axis. This is a measure of economic prosperity. The horizontal axis shows the Gini coefficient from less inequality on the left to more inequality on the right. Each point on the chart is a given country, corresponding to the analysis in the November/December 2004 issue of Bringing Work to Life. The dotted line on the chart shows the relationship between overall economic prosperity and inequality. While there is much scatter in the data there is a clear trend to greater prosperity associated with less inequality. We do not know which is the cause and which is the effect, simply that this relationship exists.



The chart is divided into four quadrants, which are subjectively labeled. Moving clockwise from the lower left quadrant:

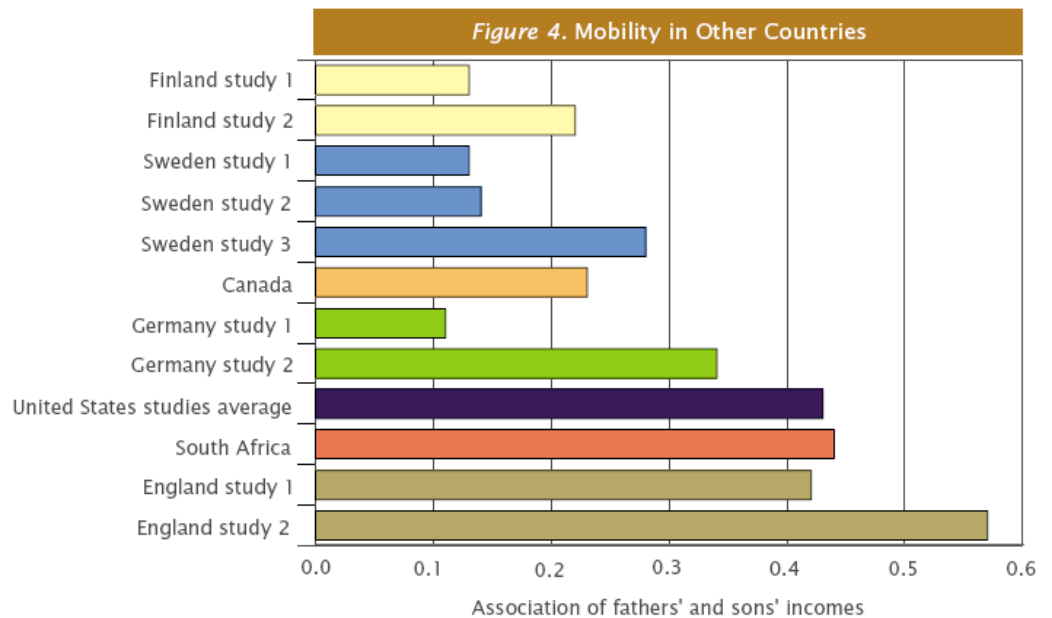
- Emerging (evolving and stable) for those countries with less inequality and lower levels of prosperity
- Prospering (stable) for those countries with less inequality and higher levels of prosperity. Many of the Scandinavian countries are in this quadrant.
- Dividing (declining and unstable) for the one country with more inequality and a higher level of prosperity.
- Repressing (stuck and unstable) for those countries with more inequality and a lower level of prosperity. Many South American countries are here.

We don't know how the life cycle of countries evolves from this perspective. Hopefully, countries progress along the line from the lower right to the upper left as they develop.

Where is the U.S.? We are the single country shown in the upper right quadrant. The level of inequality in the U.S. has increased significantly since the early 1980s (Bringing Work to Life, September/October 2004). We now have both substantial income inequality that resembles that of many developing nations and, for the time being, prosperity. This is likely an unstable situation. It requires that we take a hard look at taxation and healthcare policies that marginalize many in our society. It requires that we take a hard look at the gross inequities of compensation that exist in most organizations, which enrich those at the top at the expense of the majority.

Here is an example from the April 1, 2006 Contra Costa Times: "Safeway Inc. was one of 11 companies that paid its chief executive more than \$15 million in each of the past two years but had a negative return to shareholders and underperformed its peers in the past five years, according to the Corporate Library, a Portland, Maine, corporate governance advocate. Safeway CEO Steven Burd's annual pay rose 10-fold from 1999 to 2004 to \$19.5 million, according to the study. Safeway's share price fell 45 percent during the same period, according to Bloomberg News. Safeway spokesman Brian Dowling told Bloomberg that Burd's tenure was 'all about creating remarkable shareholder value.'"

Perhaps one response is, aren't we living in the land of opportunity where anyone can succeed if they only try? Let's examine the myth that it is easy to overcome the shackles of poverty in the U.S. The following chart shows the relationship between the incomes of fathers and sons in a number of countries. The higher the number on the horizontal axis, the more tightly linked income is from generation to generation and the more difficult it is to break free from poverty. Perhaps surprisingly, it is more difficult to break free from poverty in the U.S., similar to South Africa and approaching England. Conversely, it is easier to break free from poverty in Scandinavian countries than in the U.S.; those same Scandinavian countries that have much less income inequality.



Source: Data from Gary Solon, "Cross-Country Differences in Inter-generational Earnings Mobility," *Journal of Economic Perspectives* 16, no. 3 (Summer 2002): 59–66, Table 1.

Rags to Riches, The Century Foundation, 2004

How can we respond on a personal level. Here's Warren Buffett, the second wealthiest man in the world and the founder of Berkshire Hathaway, speaking in a public television interview (quoted in *I Didn't Do It Alone*, United for a Fair Economy, August 2004):

If you're a marvelous teacher, this world won't pay a lot for it. If you are a terrific nurse, this world will not pay a lot for it...I do think that when you're treated enormously well by this market system, where in effect the market system showers the ability to buy goods and services on you because of some peculiar talent – maybe your adenoids are a certain way, so you can sing and everybody will pay you enormous sums to be on television or whatever – I think society has a big claim on that.³³

Warren Buffett clearly expressing his view about the importance of contributing from his vast accumulation of wealth on a social level to support those less fortunate. Recognizing that this contribution can and should occur through community/government channels (taxation) in addition to personal philanthropy. Our challenge and our opportunity are to take ownership of building a society that honors, respects and supports all, particularly those most in need.

Quote

"I think back to my days of working in Dorothy Day's Catholic Worker soup

kitchen. One afternoon after several of us had struggled with a “wino,” a “Bowery bum” an angry, cursing truculent man of fifty or so, with long gray hair, a full, scraggly beard, a huge scar on his right cheek, a mouth with virtually no teeth, and bloodshot eyes, one of which had a terrible tic, she told us, “For all we know he might be God himself come here to test us, so let us treat him as an honored guest and look at his face as if it is the most beautiful one we can imagine,” (From The Spiritual Life of Children).

From the chapter on Dr. Robert Coles in Soul Survivor by Philip Yancey.

Upcoming Elsdon Organizational Renewal (EOR) Events and Recent Mentions

Upcoming Events

- Webinars for U.C. Berkeley, Haas School of Business
 - April 24, May 2, 2006, “Progressing in Your Organization”
- Presentation for Miramonte High School
 - May 16, 2006, “Not THAT Question Again”
- Workshop for Leadership San Ramon Valley
 - June 8, 2006, “Leadership for the Future”

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&DBCode=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](#)

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