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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):

- One to one (September/October 2006)
- New horizons (July/August 2006)
- Our greatest asset (May/June 2006)
- Bringing development and performance home (March/April 2006)
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- Leadership courage (July 2005)
- The real scoop (June 2005)

In this issue we address "Guiding Organizational Change."

Guiding Organizational Change

Elting Morison, who was a historian of technology at M.I.T., tells some fascinating stories about the challenges of change in his book *Men, Machines and Modern*



Ron Elsdon, Ph.D., is 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

Times (Morison, 1966). They are directly relevant to the challenges we face in adapting to the future environment and the needs of the emerging workforce.

Let us look at one of Morison's examples that relates to adoption of innovation. This is a military example from the end of the nineteenth century. It concerns the adoption of a technique known as continuous-aim firing. At the end of the nineteenth century firing from a ship was a haphazard process. The ship moved with the motion of the sea so the gun aimer had to guess when to fire during the ship's roll. Telescopic sights on guns were rare and ineffective. They were fixed to the barrel and would recoil into the gunner's eye should he choose to look through it before firing. The rapidity of fire was controlled by the time of the ship's roll and the accuracy limited by the gunner's ability to estimate the optimum firing point.

A solution to this problem was first identified by an English officer, Sir Percy Scott, when captain of the HMS *Scylla* in 1898. Scott had been pondering the challenge of improving gunnery for several years. One rough day he was walking the decks of his ship as it was engaged in target practice. He noticed that one gunner was much more accurate than the rest. The gunner did this by working the gun's elevating gear to partially accommodate the ship's roll. Scott recognized the significance of this and immediately made three changes to the guns on his ship. First he changed the gear ratio on the guns so it was easy for gunners to follow the target with the roll of the ship. Second he put the sight on a sleeve around the barrel so it did not recoil into the gunner's eye. Third he equipped the guns with a rifle and simulated target so the gunners could practice with the new techniques. The result was a dramatic improvement in accuracy. Later studies showed a 3,000% improvement in accuracy. For example, five ships firing for five minutes each using the then-conventional techniques managed, at a typical range of 1,600 yards, two hits on the sails of a target vessel. Using the new technique, one gunner made fifteen hits in one minute at the same range on a much smaller target, half of them in a bull's eye fifty inches square. This is a revolutionary improvement that addresses the fundamental capability of this organization; in this case its ability to hit an enemy target.

Scott was a colorful person, somewhat of a renegade, often railing against the "inelastic intelligence of all constituted authority, especially the British Admiralty." His prior reflections on the subject of gunnery and the serendipitous events on his ship enabled Scott to weave together the threads of existing technology and create a massive leap forward. So we come to the question of how this learning was transferred to the American navy. Scott had been transferred to the China station and there met with an American junior officer, William Sims. Sims, like Scott, was a renegade who rebelled against what he considered the bureaucratic inefficiency of his own navy. Sims learned all there was to know about continuous-aim firing from Scott and demonstrated precisely the same success with his ship's gunnery capabilities.

Sure of his success Sims now set about educating his navy. He prepared and submitted thirteen reports over two years with extensive factual data that summarized the benefits of the new approach and the techniques needed to implement it. The response came in three stages. In the first stage the reports were ignored. They were simply filed away as not credible. The second stage began with Sims adopting a more strident tone in his communications and distributing his

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.

reports more broadly. This led to the navy hierarchy meeting Sims' proposals with logical, rational rebuttal. Indeed the Bureau of Ordnance mounted experiments at Washington Naval Yard that proved to their satisfaction that Sims' proposals were impossible. This is because the tests were on dry land and did not have the ship's motion to aid the gunner. This led rapidly to the third stage, that of name-calling. Increasingly acrimonious exchanges followed. Sims, a lieutenant, then took the extraordinary step of writing to the president of the United States, Theodore Roosevelt, to inform him of these remarkable new techniques that were being ignored by the navy. Roosevelt brought Sims back from China in 1902 and installed him as Inspector of Target Practice. He stayed in this post for the remaining six years of the administration, after which he was universally acknowledged as "the man who taught us how to shoot."

This example raises the question as to why there was such resistance to a demonstrably major improvement that addressed the fundamental purpose of the organization. Morison identifies reasons. First are those more on the surface: an obscure junior officer proposed the idea; it challenged the approaches developed earlier by those in command; and improvements weren't needed. The Spanish-American War was recently won without these new techniques, even if only 121 out of 9,500 shots from other than close range found their mark. Morison goes on to explore a more fundamental issue. He proposes that the resistance resulted from the challenge these new approaches posed to the social structure of the navy, for example they immediately elevated the importance of the gunnery officer. He also identifies a central factor in this resistance. Namely the identification of those people opposing change, and to a lesser extent those people for change, with a limited purpose that is only a subset of the overall organization's goal. For example this limited identification may be to an existing narrow social structure; to a technology product (the sight) without regard for its application; or to the act of rebellion. It raises a question, posed by Morison, whether an organization should undertake reform itself, or whether it must seek guidance from the outside. Morison goes on to suggest that two possible means to offset these limiting behaviors are first to enlarge the sphere of identification from a part to the whole, and second to consider identification with the processes of adaptation and change rather than the product of this change. This means embracing the opportunities that unfold from new perspectives and their impact on our systems.

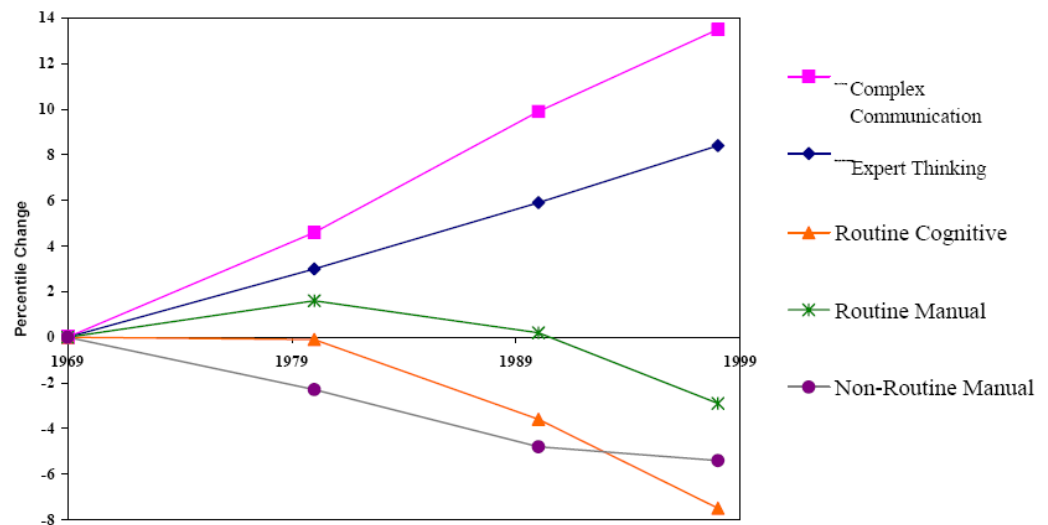
What is the relevance of experiences in military organizations more than 100 years ago to the situation in organizations today? This example is about a social system, and that is precisely the arena of today's organizational world. While the details of the changing world today are different, the barriers to change are just as real as in the example. In the Scott/Sims case the innovation survived due to the dogged persistence of Sims. We might ask how many equally daring ideas surface in organizations only to disappear from view, suppressed within organizations that inoculate themselves against change. By identifying with the part rather than the whole we compromise the growth and success of our organizations. Some examples of this related to the workforce are:

- Parochial behavior that restricts development of employees by limiting internal movement
- Unwillingness to invest in employee development
- Limiting the decision-making capability of employees

- Failing to identify and capitalize on workforce partnership options
- Unwillingness to embrace technology tools to aid in workforce development
- Leadership insisting on rigid command-and-control hierarchies.

On a broader front, we see dramatically changing skill needs in the workforce, with the growing importance of complex communication and thinking skills and the diminishing importance of routine manual or cognitive skills, as associated tasks are automated. This is illustrated in the following figure from “How Computerized Work and Globalization Shape Human Skill Demands by Levy and Murnane (2006).

Figure 3: Economy-Wide Measures of Routine and Non-Routine Task Input: 1969 - 1998 (1969 = 0)



Source: Autor, Levy and Murnane, op cit.

So we need to adopt significant change within our organizations to embrace these fundamental shifts. This brings us to the question of how to guide needed organizational change in a turbulent external world, overcoming the barriers that Morison showed are inherent in any change initiative. Indeed Robert Eaton observed that “Any culture, by definition, exists primarily to prevent change, to set in stone the lessons of the past.” (Inscape Publishing). There are a number of frameworks that have been developed to guide organizational change. They are similar in nature. Let’s examine how we might apply one of these frameworks developed by John Kotter and extended by Dan Cohen (The Heart of Change Field Guide, Dan Cohen and John Kotter, Harvard Business School Press, 2005).

We can begin by acknowledging two fundamental perspectives to approaching change as shown in the following figure:

Two Approaches to Change Logic and Emotion

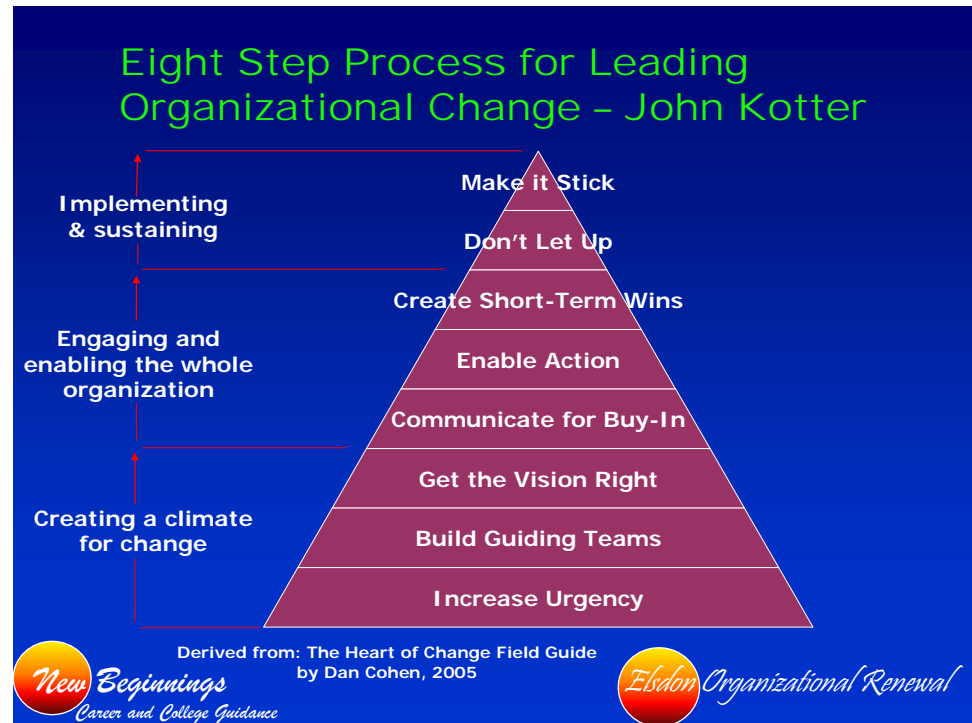
- | | |
|--|--|
| <ul style="list-style-type: none"> ▶ Analysis-Think-Change <ul style="list-style-type: none"> ▶ Give people analysis As a result ... <ul style="list-style-type: none"> ▶ Data and analysis influence how we think ▶ New thoughts change behavior or reinforce changed behavior | <ul style="list-style-type: none"> ▶ See-Feel-Change <ul style="list-style-type: none"> ▶ Help people see As a result ... <ul style="list-style-type: none"> ▶ Seeing something new hits the emotions ▶ Emotionally charged ideas change behavior or reinforce changed behavior |
|--|--|

The Heart of Change Field Guide, Dan Cohen



Analysis-Think-Change is how Sims addressed the continuous-aim firing example, preparing thirteen reports detailing his observations and techniques. The premise here is that facts are sufficient to sway opinion and behavior. An example of See-Feel-Change is Rosa Parks refusal to give up her seat on a bus in Montgomery, Alabama in 1955. This visible act of courage and defiance became a symbol for the Civil Rights movement.

Which of the two general approaches is likely to be most effective in enabling change: the analysis-think-change approach or the see-feel-change approach? Cohen finds that the see-feel-change approach is most effective, which means helping people see a truth that influences their feelings. This is more important than giving people analysis to influence their thoughts. Frequently we miss the see-feel component in an organizational setting so it is not surprising that change efforts flounder. I have found in reviewing the results of exit interview studies that a combination of both approaches is most powerful in generating movement to action. So a central aspect of the recommended approach to organizational change is to include both the emotional and the analytical components. What might this mean in terms of steps we can take to guide change? The following figure summarizes the framework outlined by Cohen and Kotter:



There are three primary stages:

- Creating a climate for change
- Engaging and enabling the whole organization
- Implementing and sustaining

Each stage has two to three components. In the first stage at the base of the triangle, the focus is on creating a rationale for change: why we should change (the urgency), what team structure is needed to move forward and what does the collective vision for moving forward look like. While these steps are presented as occurring sequentially, in practice there is much overlap and iteration. One participant in a recent seminar on this topic observed that management in his organization had failed to communicate the rationale for a current, major change resulting in much resistance in the organization.

Some of the questions to explore in this first stage are:

- What will happen if we continue on the current path?
- What will be lost if we change?
 - How do I let go?
- How will this change help me, others and the organization?
- Who do I need to enroll to move this forward?
- What do I need to do to form a strong guiding team?
- How do I describe the future so it is clear, compelling, desirable and feasible?

The second stage is one of engaging and enabling the whole organization. Here the emphasis is on moving to action, with a strong focus on communicating (listening and expressing), supporting action steps that teams develop and establishing those short term wins that energize and sustain the process. Questions to be addressed in

this stage include:

- Who are the stakeholders in this change?
- Where are they on the continuum
 - Awareness, understanding, collaboration, commitment, advocacy?
- Where would you like them to be?
- What are the key messages you wish to deliver?
- What resistance might you encounter?
- How can you encourage risk taking?

This is followed by a third stage of implementing and sustaining where a primary emphasis is on reinforcing the change process so that the organization does not regress through inertia to its prior state. Questions that are important in this stage include:

- What will be needed in the following areas on an on-going basis to sustain the change?
 - Work design & structure, performance measurement and feedback, recognition, new systems, communication, relationships
- How will you and others know the change is successful?

An example of an organization that has managed successfully to undergo repeated, significant and radical change over its more than 200 year history is the DuPont company. DuPont has evolved away from an organization with roots in gunpowder manufacturing by embracing major shifts in technology and commercial activities. Gunpowder is no longer part of the DuPont business portfolio which is now that of a multi-national chemicals and health care company.

It is important to ask before beginning a change initiative, whether the right pieces of the jigsaw are assembled to begin the process. Michael Watkins sheds some light on this question, proposing that the five items shown in the following figure need to be in place before moving down the plan then implement path that we just reviewed.

Planned Change vs. Collective Learning Watkins, The First 90 Days

- ▶ Plan-then-implement works well when the following are in place:
 - ▶ Awareness
 - ▶ Critical mass of people acknowledge need
 - ▶ Diagnosis
 - ▶ Know what needs to be changed and why
 - ▶ Vision
 - ▶ Compelling vision and solid strategy
 - ▶ Plan
 - ▶ Expertise to create detailed plan
 - ▶ Support
 - ▶ Sufficiently powerful supportive coalition
- ▶ If any are missing consider initial focus on collective learning



If we are confident that we have a critical mass of people who acknowledged the need for change, we know what needs to be changed and why, we have a compelling vision and solid strategy in place, we have the expertise to create a detailed action plan and a sufficiently powerful supportive coalition then we can proceed. If any of these key elements are missing then an initial focus on collective learning may be more appropriate to fill in the gaps.

In summary then it is important to recognize the challenges of organizational change and plan accordingly. This means addressing both logic and emotion, assessing readiness for change, creating the needed climate, engaging the organization and implementing and sustaining the approach. If we take these steps then we will do much to secure a steady path through the stormy waters of our changing world.

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

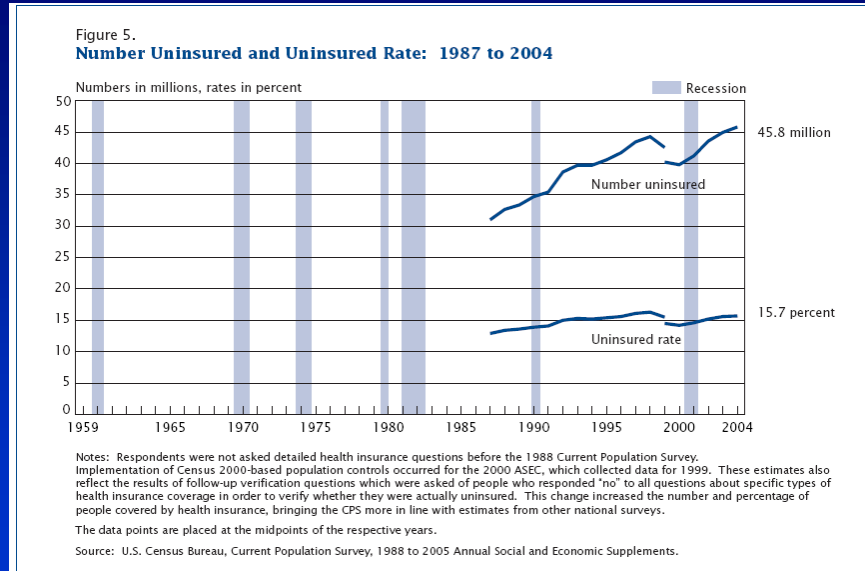
Health Care

Our son and daughter-in-law have friends whose young son has a serious medical condition that has required several brain operations and will likely require further operations in the future. They have exhausted their funds and wonder how to pay for his continued care. If we acknowledge that one measure of a civilized society is how it cares for its weakest members, how is it that we place this young family in such a distressing situation?

While many people enjoy excellent healthcare in the U.S., many others, like this young family, are not so fortunate. The following figure shows that in 2004 there were almost 46 million people without healthcare insurance in the U.S., almost 16% of our population. As we saw in our October 2005 newsletter, it is perhaps not

surprising that one state is particularly ineffective in health insurance coverage, that state is Texas, where 25% of people do not have coverage, much worse than any other state.

Lack of Health Insurance, U.S.



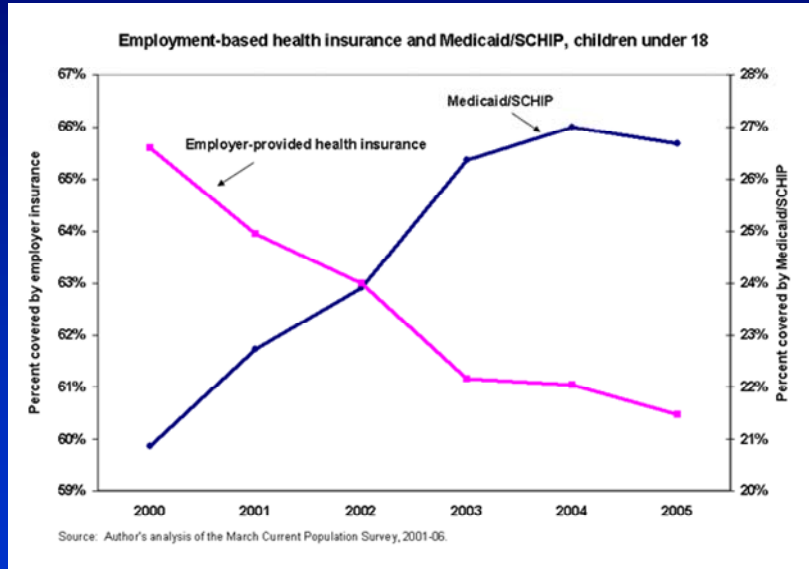
U.S. Census Bureau Study, Income, Poverty, Health Ins. August 2005



Lack of health insurance does not affect all groups equally. The following figure shows that in 2005 for the first time in seven years, the percentage of children covered by health insurance declined, since coverage by both employer sponsored and State supported programs fell. In 2005 this left 8.3 million children uninsured.

More Children are Uninsured

In 2005 the rate of uninsured children increased for the first time in 7 years from 10.8% in 2004 to 11.2% in 2005, leaving 8.3 million children uninsured



New Beginnings
Career and College Guidance

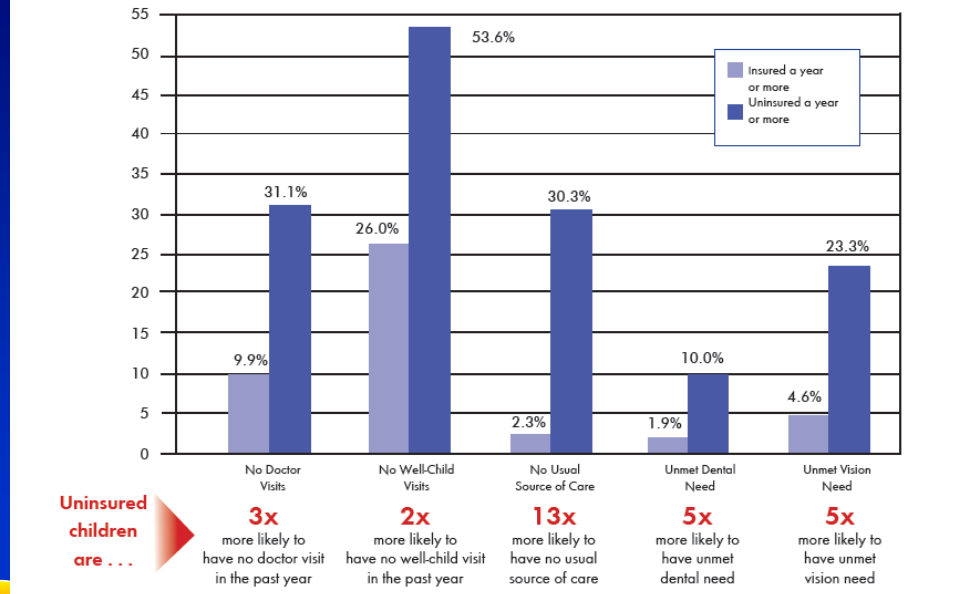
Source: Economic Policy Foundation, 9/27/06 snapshot

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What does this mean for children? We see in the next figure that uninsured children are much more likely to go without a doctor or dentist visit, and to have unmet vision needs. We are putting our next generation at risk.

What Does this Mean for Children?

Percent of Unmet Health Care Needs among Insured and Uninsured Children



New Beginnings
Career and College Guidance

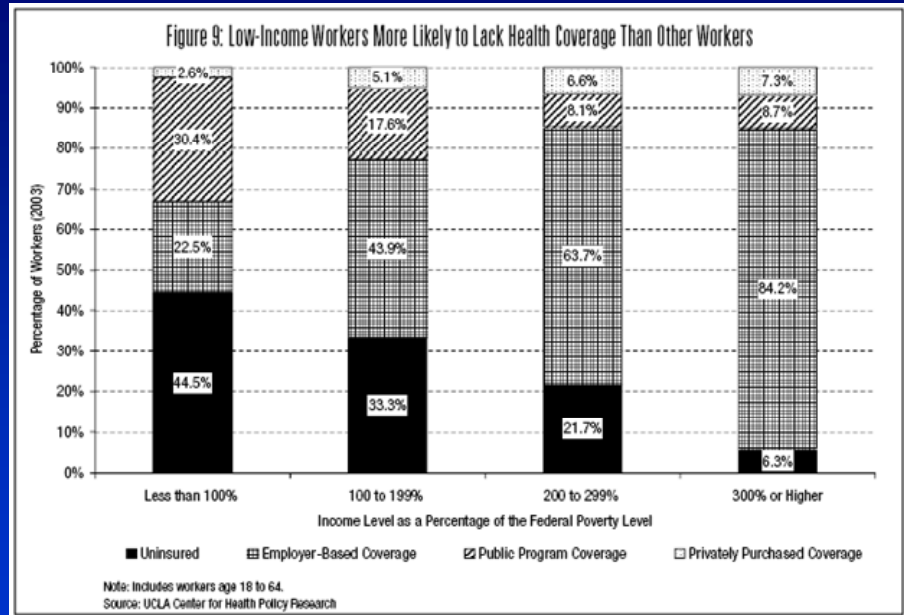
Source: Campaign for Children's Health Care Report, September 2006

Elsdon Organizational Renewal

We are also putting our most disadvantaged citizens at risk as shown in the next

figure for California. The percentage uninsured is shown in the solid portion at the bottom of each bar. The bars are arranged by income group expressed as a percentage of the Federal poverty level from lower on the left to higher on the right. Over 40% of people with an income level below the Federal poverty limit are uninsured, the far left bar. It is doubly hard to break out of poverty when struggling with sickness and lack of health care. What a credit it is to those non-profit health care organizations that provide support to people who would otherwise go without it. But this is a band-aid on an untenable system.

Health Insurance: California



Source: California Budget Project, September 2005
Career and College Guidance

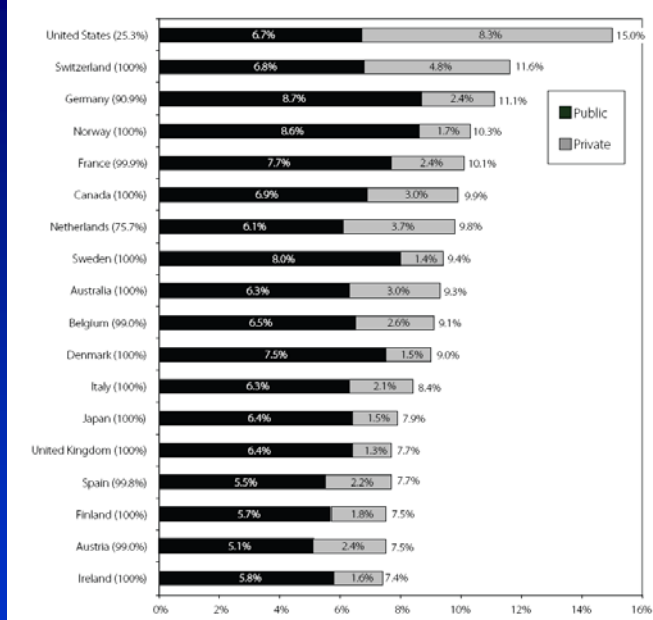


Elsdon Organizational Renewal

Are we putting insufficient resources into healthcare? The next figure would suggest that it is not a resource question. In the U.S. we spend 15% of our GDP on healthcare, almost 50% more than the next closest country. For that investment only 25% of our population are covered by public health care spending (the number in parentheses to the left of the bars) whereas for all other developed nations except two, coverage is universal (99% or above). The two exceptions are Germany, which covers 91% of the population, and the Netherlands, which covers 76% of the population, both well above U.S. levels.

Source: The State of Working America, 2006/2007 Economic Policy Institute

FIGURE 8I Public and private expenditures on health care spending, 2003 (Percent of GDP)

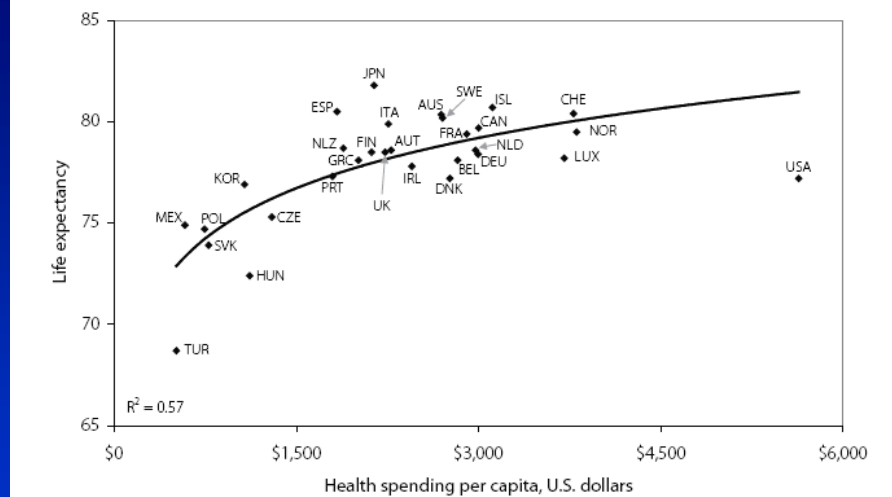


Note: Percentage of population covered by public health care spending appears in parentheses by the country name. Source: OECD (2004b) data.



What about outcomes? We are often told that our healthcare system generates better outcomes. The following figure shows life expectancy as a function of healthcare spending per capita in 2003. We see that the U.S. has much higher per capita costs than other developed nations, and significantly lower life expectancy.

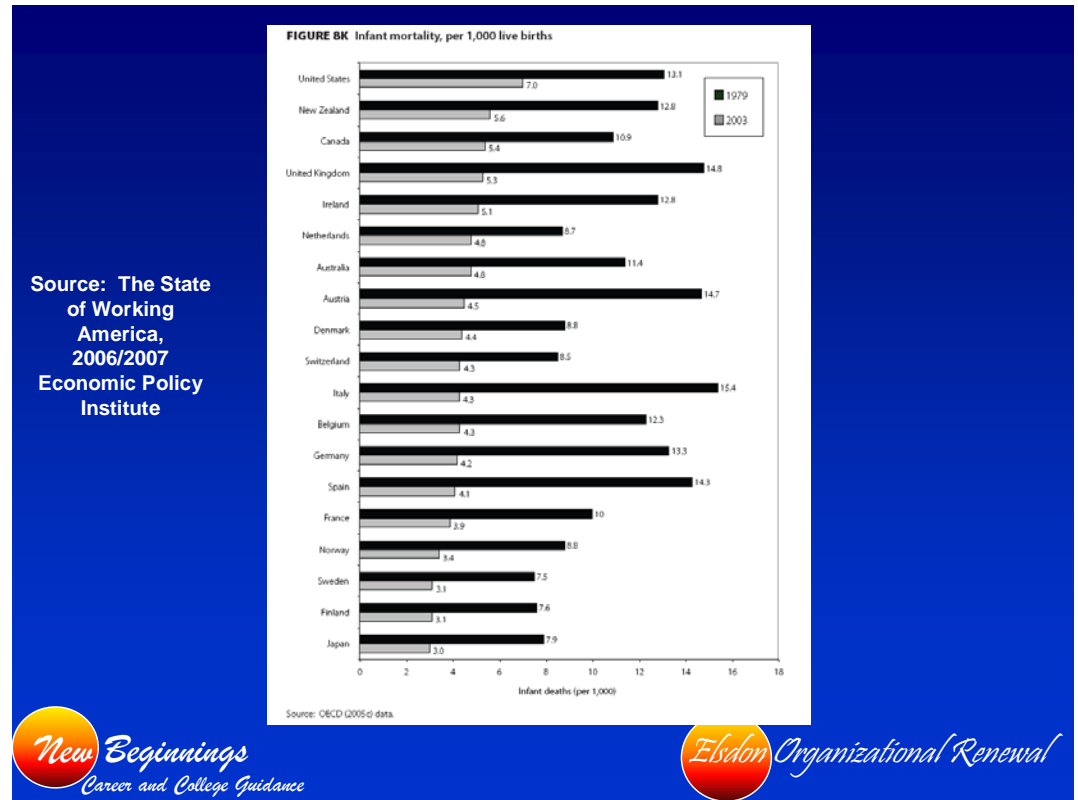
FIGURE 8J Life expectancy at birth and health spending per capita, 2003



Source: The State of Working America, 2006/2007 Economic Policy Institute



Similarly when it comes to infant mortality, we see in the following figure that the U.S. has the worst infant mortality rate of any of the developed nations shown. Indeed the U.S. infant mortality rate is more than twice as high as the four most effective nations.



Our healthcare system costs much more than systems in countries with universal coverage and it delivers inferior results. Furthermore, we are particularly compromising healthcare for vulnerable groups - children and those who are economically disadvantaged. This problem is worsening as employer coverage is declining and coverage through public healthcare does not address the gap. We are compromising the health of our next generation. Our responsibility and accountability is to create a universal healthcare system that provides needed support for all of our citizens, not just the wealthy, so the young boy needing an operation, his parents and all of us, have the healthcare support we need.

Quote

It seems only yesterday I used to believe
 there was nothing under my skin but light.
 If you cut me I could shine.
 But now when I fall upon the sidewalks of life,
 I skin my knees. I bleed.

Billy Collins, On Turning Ten

Upcoming Elsdon Organizational Renewal (EOR)

Events and Recent Mentions

Upcoming Events/Publications

- Recorded webinar for Project Management Institute
 - “Becoming Career Fit in Turbulent Times”, now available at:
 - <http://pmi-issig.org/Default.aspx?tabid=319>
- Seminar for University of California, Haas School of Business, Berkeley/Columbia MBA program
 - November 9, 2006, “Building Interpersonal Skills to Guide and Coach Others.”
- Webinar for Association of Career Professionals
 - December 6, 2006, “Adding Value in the New Organization.”
- Chapter titled “How Can You Grow Your Practice with Purpose?” for National Career Development Association Monograph
 - Likely publication date: late 2006/early 2007
- Coming in 2007
 - Ventura County – National Human Resources Association, January 2007, “Building Affiliation.”
 - UCLA Alumni Career Conference, January 2007, “Career Fitness in Turbulent Times.”
 - HR Week West Conference, Santa Clara, February 21, 2007, “Finally, a Change Management Model that Works!”
 - <http://www.hrweekwest.com/agenda.html#bpc1>
 - Article for National Career Development Association Career Convergence magazine, likely publication March 2007, “Rising and Falling Tides.”

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](http://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 NCDCA 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](#)

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