Elsdon Organizational Renewal

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In This Issue

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Welcome

Welcome to the latest quarterly issue of Bringing Work to Life. We are pleased that our new book, *How to Build a Nontraditional Career Path: Embracing Economic Disruption*, is currently scheduled for publication by Praeger in November 2014. This complements our three existing books:

Business Behaving Well: Social Responsibility, from Learning to Doing, (Potomac Books, Inc., 2013) that provides a rationale and roadmap for organizations to incorporate socially responsible practices, building on principles of social justice:

http://www.potomacbooksinc.com/Books/BookDetail.aspx?productID=293765

Building Workforce Strength: Creating Value through Workforce and Career Development (Praeger, 2010) that describes the application of workforce and career development principles and practices to strengthen organizations:

http://www.abc-clio.com/product.aspx?id=53104

and *Affiliation in the Workplace: Value Creation in the New Organization* (Praeger, 2003) that describes leadership approaches to integrate the needs of the individual with the needs of the organization for the benefit of both:

http://www.abc-clio.com/product.aspx?isbn=9781567204360

This newsletter contains two articles: Democracy and Work, and Inequality Update.

Democracy and Work

My wife and I were back in the U.K. in October 2013. We were in rural Northumberland, lots of trees and sheep, hilly, calm, peaceful, and lovely. For the first time we visited Cragside, a property now owned by the national trust, which we knew nothing about before our visit. It turns out that it was given to the U.K. in the

Ron Elsdon, Ph.D., is founder of *Elsdon Organizational Renewal (a division of Elsdon, Inc.)*, 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 the forthcoming *How to Build a Nontraditional Career Path: Embracing Economic Disruption*, which explores when and how to create a vocation from more than one source of income, and, in so doing, develop a fulfilling and practical nontraditional career path; editor of *Business Behaving Well: Social Responsibility, from*

1970s by the Armstrong family to offset large tax bills. It is beautiful, over 1,000 acres of woods and lakes, with a mansion in the center that was built and developed in the mid- to late- 1800s. Think of remote parts of Northern California close to the Oregon border for a comparison. Idyllic.

Now picture a second scene. This of a young girl in the early 1900s walking along an industrial road, around midnight, it's dark and cold, she is taking sandwiches to her father who is toiling in a factory making armaments on Scotswood Road in Newcastle. Smelly, noisy, dangerous work. And not a particularly safe road to walk along. Think of depressed parts of Oakland or Chicago. Far from idyllic. The girl walking along that road was my wife's mother taking food to her father in the factory. That factory, like the mansion and the estate, was owned by the Armstrong family. While the Armstrong's were benefactors to Northumberland, they made most of their money from the manufacture and sale of armaments, for example selling to both sides in the American civil war.

Here is inequality on a personal level affecting people's lives in a profound way. But isn't this just something from a distant land and a distant time? It is not. In the U.S. by 1929 inequality reached a new level of excess contributing in part to the great depression of that year. With later progressive policies spearheaded by Franklin Roosevelt's administration, from the mid-1930s we began a time of unprecedented prosperity that accelerated after the second world war. By the late 1960s inequality fell to its lowest level in the United States. However, since the early 1980s this has reversed with polices begun then that have, over the last 30 years, brought us to a point again today where inequality has regressed to where it was in the late 1920s. Not surprisingly, as we see from modeling the reduction in discretionary spending due to inequality in *Business Behaving Well*, we again encountered economic upheaval due to this more recent increase in inequality.

Some might suggest that charity is the answer, allowing crumbs to fall off the tables of the wealthy for everyone else. But there are voices of reason, here's Peter Buffett, Warren Buffett's son, in a July 26, 2013 New York Times' piece "Because of who my father is, I've been able to occupy some seats I never expected to sit in. Inside any important philanthropy meeting, you witness heads of state meeting with investment managers and corporate leaders. All are searching for answers with their right hand to problems that others in the room have created with their left…As more lives and communities are destroyed by the system that creates vast amounts of wealth for the few, the more heroic it sounds to "give back." It's what I would call "conscience laundering" — feeling better about accumulating more than any one person could possibly need to live on by sprinkling a little around as an act of charity…But this just keeps the existing structure of inequality in place. The rich sleep better at night, while others get just enough to keep the pot from boiling over. Nearly every time someone feels better by doing good, on the other side of the world (or street), someone else is further locked into a system that will not allow the true flourishing of his or her nature or the opportunity to live a joyful and fulfilled life…Money should be spent trying out concepts that shatter current structures and systems that have turned much of the world into one vast market. Is progress really Wi-Fi on every street corner? No. It's when no 13-year-old girl on the planet gets sold for sex. But as long as most folks are patting themselves on the back for charitable acts, we've got a perpetual poverty machine. It's an old story; we really need a new one."

Learning to Doing, which provides a rationale and roadmap for organizations to incorporate socially responsible practices, building on real-world examples from contributing authors, and principles of social justice; editor of *Building Workforce Strength: Creating Value through Workforce and Career Development*, a book that describes the applications of workforce and career development principles and practices to strengthen organizations; and author of *Affiliation in the Workplace: Value Creation in the New Organization*, 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.

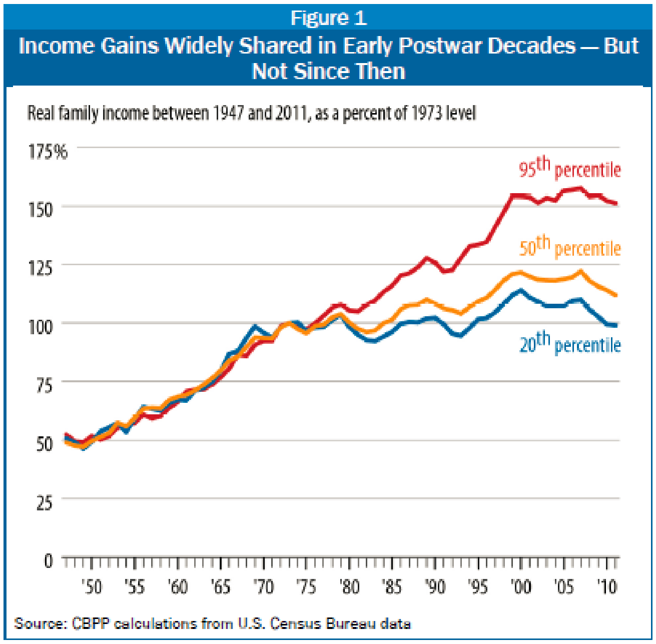
We can think of various responses to redress the awful inequities that exist for example in income, wealth, education, health care, even in life expectancy in our country. One is recourse to our political system, and indeed this is an avenue we must pursue. However, a paper, "Democracy and the Policy Preferences of Wealthy Americans," by Benjamin Page, Larry Bartels, and Jason Seawright in the March 2013 issue of *Perspectives on Politics* is sobering. This describes a study of the political views of the wealthiest 1% and 0.1% of the population based on a sample in the Chicago area. The authors confirm that the wealthiest participate disproportionately in politics and that their views diverge significantly from the general population – the wealthy are much less supportive of social programs such as social security and effective universal health care or providing broad educational opportunities, and they are less supportive of economic regulation that might have averted the recent economic collapse. The authors conclude that "if policy makers do weigh citizens' policy preferences differently based on their income or wealth, the result will not only significantly violate democratic ideals of political equality, but will also affect the substantive contours of American public policy." So relying only on the existing political structure is naïve as this structure primarily protects the vested interests of a small, wealthy group. We can see it in the shrill voices from the extreme right. The need for a movement to re-establish the fundamental basis for our democracy is clear and hopefully such a movement will emerge. In its absence where else can we look?

One direction is to the business community. This too is a path we must pursue as highlighted in *Business Behaving Well*. However, voices such as the U.S. Chamber of Commerce that seem to parrot the demands of wealthy and powerful handlers underline the challenge. Indeed large organizations are not democracies; rather they are oligarchies of entrenched power that now serve primarily the interests of senior management. So this route too presents major challenges.

Another route, over which we can exert significant influence, is that of creating our own work/life direction. This is our own career path, not defined by others in organizations, but personally defined to match our values, interests, skills and preferences. Defined to provide a fulfilling and meaningful direction that is not subject to the whims of a corporate oligarchy. It is in crafting such a path that we can begin to recreate the basis for a true democracy of the people, by the people and for the people. It is such a path that we will explore in future newsletters and in our forthcoming book.

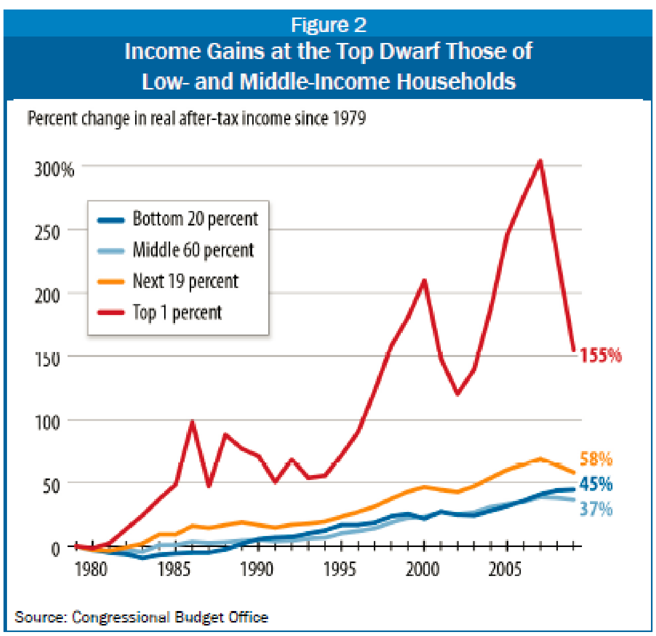
Inequality Update

Here is a reminder about the reality of growing inequality in the United States. Income gains have preferentially benefitted the highest earners since the early 1980s with everyone else left behind as shown in the following chart:



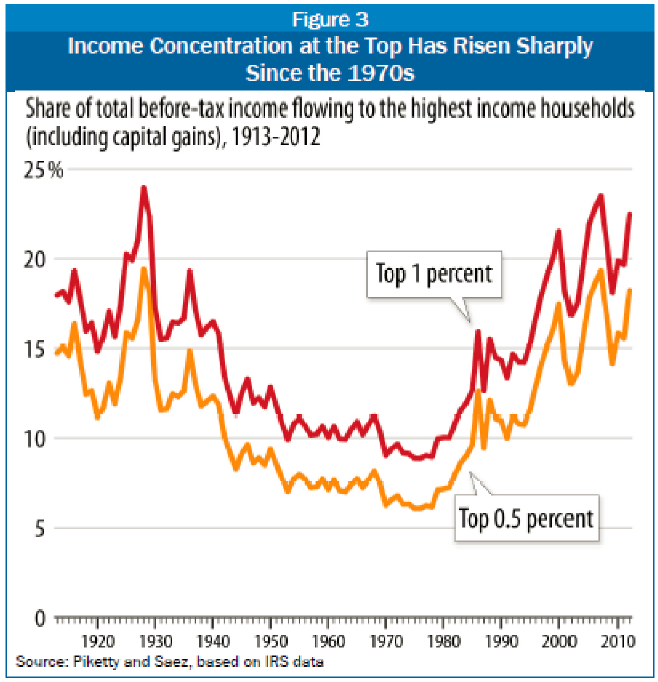
Source: Chad Stone, Danilo Trisi, Arloc Sherman, and William Chen, "A Guide to Statistics on Historical Trends in Income Inequality," Center on Budget and Policy Priorities, September 11, 2013.

The gains at the top dwarf those of everyone else:



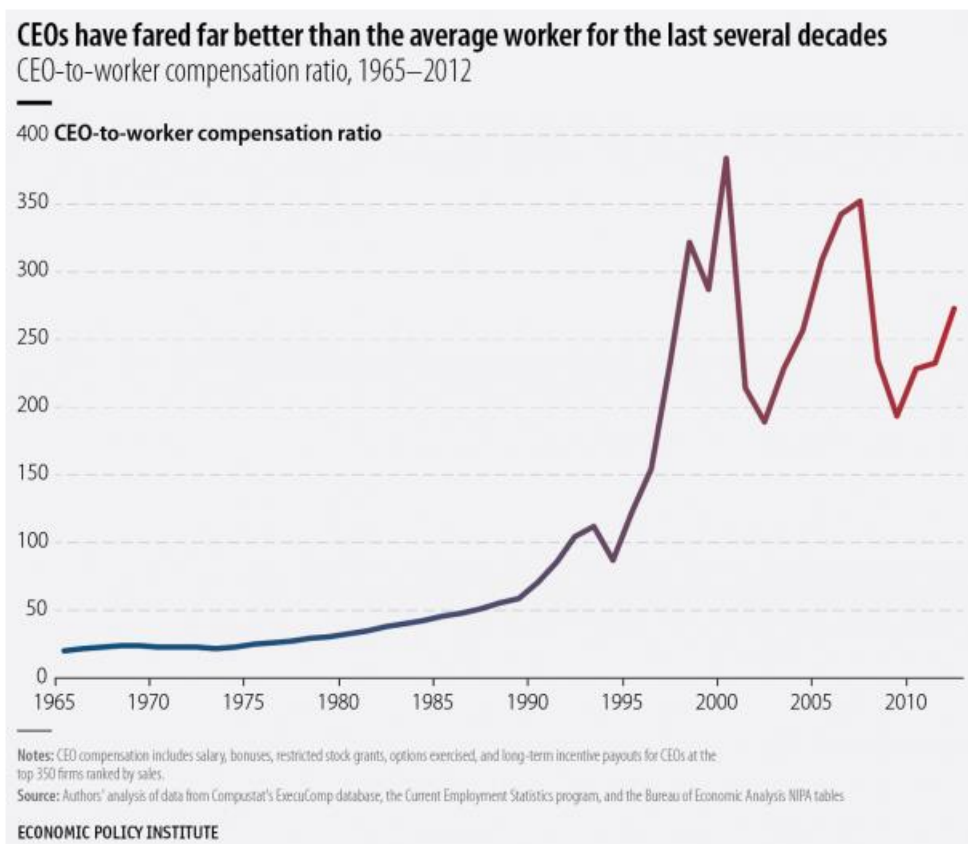
Source: Chad Stone, Danilo Trisi, Arloc Sherman, and William Chen, "A Guide to Statistics on Historical Trends in Income Inequality," Center on Budget and Policy Priorities, September 11, 2013.

So that we now have income concentration that looks again like the 1920s just before the great depression:



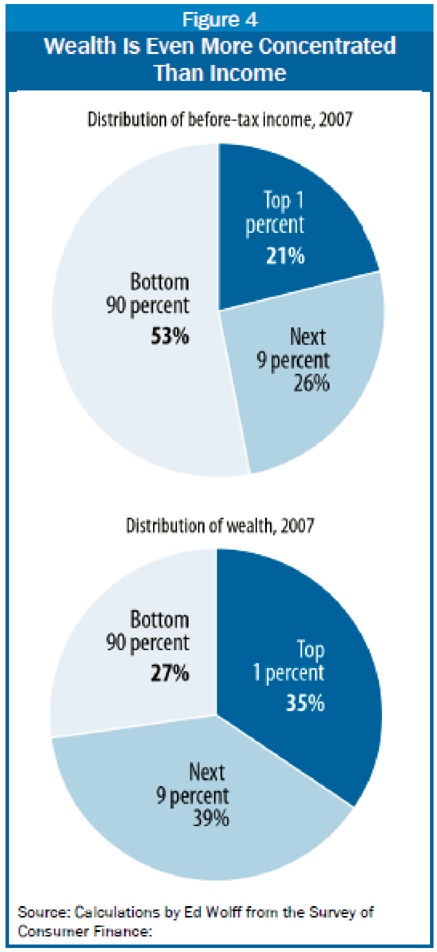
Source: Chad Stone, Danilo Trisi, Arloc Sherman, and William Chen, "A Guide to Statistics on Historical Trends in Income Inequality," Center on Budget and Policy Priorities, September 11, 2013.

This is driven in part by gross excesses in CEO compensation, shown for the 350 largest firms relative to average worker compensation in the following figure:



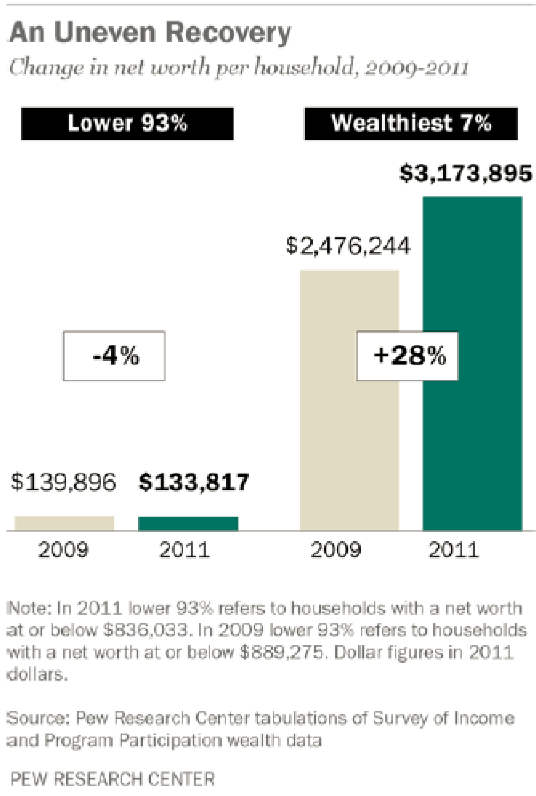
Source: Lawrence Mishel, "The CEO-to-Worker Compensation Ratio in 2012 of 273 Was Far Above That of the Late 1990s and 14 Times the Ratio of 20.1 in 1965," Economic Snapshot, September 24, 2013, Economic Policy Institute.

Inequality in wealth is even greater than income inequality:



Source: Chad Stone, Danilo Trisi, Arloc Sherman, and William Chen, "A Guide to Statistics on Historical Trends in Income Inequality," Center on Budget and Policy Priorities, September 11, 2013.

And, as we saw in our third quarter 2013 newsletter, it's getting worse as we struggle out of the recession:



Source: Pew Research Center, "A Rise in Wealth for the Wealthy; Declines for the Lower 93%," April 23, 2013.

We desperately need political leadership and a grass roots movement to promote and enact policies that address these inequities.

Quote

"We acknowledge our transgressions, our shortcomings, our smugness, our selfishness and our pride. Deliver us from the hypocrisy of attempting to sound reasonable while being unreasonable."

BARRY C. BLACK, chaplain of the United States Senate, in a morning invocation during recent budget battles. New York Times Excerpts, October 7, 2013.