



Fourth Quarter 2015

Bringing Work to Life

Volume 12, Number 4



In This Issue

- Choices
- Societal Trends
- Quote

Contact Us

Elsdon Organizational
Renewal (EOR)

www.elsdon.com

renewal@elsdon.com

Tel. 925 586 9039

Welcome

Welcome to the latest quarterly issue of Bringing Work to Life. We are pleased that our latest book, *How to Build a Nontraditional Career Path: Embracing Economic Disruption*, (Praeger, 2014) is being well received. Our book describes why, when, and how to create an inspiring and practical nontraditional career path from more than one source of income: <http://www.abc-clio.com/product.aspx?isbn=9781440831584>

It 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.nebraskapress.unl.edu/product/Business-Behaving-Well,676586.aspx>

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/ABC-CLIOCorporate/product.aspx?pc=C3236C>

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: *Choices*, and *Societal Trends*.

Choices

“Right is right, even if everyone is against it, and wrong is wrong, even if everyone



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 *How to Build a Nontraditional Career Path: Embracing Economic Disruption*, which describes why, when and how to create an inspiring and practical nontraditional career path from more than one source of income; editor of *Business Behaving Well: Social Responsibility, from Learning to Doing*, which provides a rationale and roadmap for organizations

is for it” William Penn observed. This thoughtful quote is relevant to the choices we face in our work lives, whether on a nontraditional, entrepreneurial path or in conventional employment. Here is an example. I was once confronted with a situation when employees of one customer demanded that my organization provide confidential client information about individuals to whom we were providing career counseling services. Confidentiality is fundamental to the career counseling relationship, and is central to the ethical principles of professional practice. Every other customer organization with which I have worked respected and honored this, as had this organization previously. Here was a direct choice, violate confidentiality and continue with the customer, or maintain confidentiality and lose the customer. The right path was clear. We maintained confidentiality, honoring the individuals we served and the principles of professional practice, while our work with this customer ceased. Encounters such as this are hopefully rare; they illustrate the importance of choice in fashioning our work lives. This particular choice was related to ethical and operational practice. Other choices affect the direction of our career paths. Let us look at how we can approach such career related choices.

We can identify internal preferences that affect how we approach decisions. This is illustrated by the Myers-Briggs Type Indicator (MBTI), an assessment that characterizes our personality along four dimensions. One of these four dimensions, thinking and feeling, focuses on how we prefer to make decisions. Those of us with a stronger thinking preference make decisions based more on objective logic, and those of us with a stronger feeling preference make decisions based more on subjective values. Attributes such as being analytical or objective tend to be associated with thinking, and attributes such as being empathetic or compassionate tend to be associated with feeling. By understanding our preferred approach to decision making we can highlight our natural strengths in decision making, and gaps we may choose to fill. For example, choosing to incorporate additional information and data when approaching a decision from a feeling orientation, or explicitly considering the effect of a decision on others when approaching a decision from a thinking orientation.

We can also adopt different external, ethical frameworks to guide our decisions. As pointed out by Marc Saner, overarching ethical frameworks can build on a values-based approach, a compliance-based approach, or a combination of the two. The values-based approach emphasizes important goals, the means to achieve those goals, and motivations. Such an approach provides broad guidance for decision making, is flexible, and can be used in situations that were not anticipated when the foundation principles were created. The U.S. Bill of Rights is an example of such an approach. The compliance-based approach, on the other hand, emphasizes rules and limits that need to be respected, and is based on compliance with a set of agreed-upon standards. Features are clarity and specificity. Unfortunately, a compliance-based approach can rapidly become encyclopedic in size and still not be sufficiently comprehensive. An example of a compliance-based approach is the U.S. tax code. As we consider approaching individual career decisions the values-based approach, which is more aligned with the MBTI feeling preference, draws on fundamental principles we hold dear. The compliance-based approach, which is more aligned with the MBTI thinking preference, uses objective aspects such as those expressed in numerical grids of decision criteria. We can choose to incorporate aspects of both the values- and compliance-based approaches into our decision making, and also integrate perspectives from spiritual traditions that inform our values.

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 application 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.

Having looked at some of the factors that affect how we approach decisions, now let us look at a career-related example, namely the decision to embark on a nontraditional career path. As pointed out in previous newsletters, by a nontraditional career path we mean a career path that is tailored to our individual needs and contains more than one source of income. In examining this decision, and in highlighting questions to consider, we implicitly include our internal, decision-making preferences and our preferred external, ethical framework.

We will look at four aspects and associated questions related to this initial entry decision:

- Critical mass of skills and attributes
- Work/life purpose
- Components to include
- Relationship strength

Critical mass of skills and attributes. Do I have what is needed to succeed in a nontraditional path? This question looms large at the start. Some suggest that only a few are cut out to be their own boss, while others suggest that it's a fallacy that only a few can take this path successfully. As we show in *How to Build a Nontraditional Career Path*, there are many different paths to a nontraditional career that people have successfully negotiated and there are many options to tailor a path to individual needs. Indeed, there is historical precedent that what appears nontraditional today is closer to our natural relationship with work than that of employment in large organizations, which has come to dominate our thinking since the early 1900s. Our view about what constitutes traditional work is an artifact of this more recent past. Given this, given the flexibility to tailor a nontraditional path to individual needs, and given a changing work environment that is moving to favoring the nontraditional route, a nontraditional path is likely broadly accessible to many. Addressing the following skills and attributes questions can help in deciding whether to pursue a nontraditional path:

- What content expertise do I possess or could I develop that would have value to customers?
- What strengths do I have in business management, time management, interpersonal skills, and customer-facing and support service management areas? What strengths do I bring to the personal characteristics of integrity, tenacity, self-awareness, empathy, and comfort with ambiguity? What gaps do I see and what development plan would be appropriate to provide the foundation of skills and personal characteristics I need?
- What skill areas could I enhance through partnering? What partnering opportunities would I consider?

Work/life purpose. Fundamental to successful engagement in a nontraditional career path is strong alignment with personal work/life purpose and support from those connected to us. Here are some questions to consider that can help in reflecting on this area:

- What are my aspirations and what do they mean for a nontraditional career

path?

- What values do I hold dear and what do they mean for a nontraditional career path?
- How is my time spent today in areas of life that are significant to me and how would I like this to be in three to five years? What might this mean for a nontraditional career path?
- What priorities of family and those close to me, and others connected to me, would I include when evaluating a nontraditional career path? Whose support is important to me and what form of support do I anticipate needing? What might this mean for a nontraditional career path?

Components to include. A key area to address when considering whether to proceed on a nontraditional path is identifying what career components to include and how they might be differentiated for customers. Here are some questions to consider when making a decision about components to include in a nontraditional path and whether to proceed with that path:

- What excites me in my work and interests and what might this suggest for nontraditional career components I could develop?
- How might these components be valuable to others and what approaches could I use to create differentiation?
- How might I combine more than one component to create additional value?

Relationship strength. Relationships are a cornerstone of a nontraditional career. They include customer and client relationships that initially inform the path forward and then lead to project engagements. They can include partnering relationships that broaden the scope of activities or enhance skills. They can include supplier relationships that strengthen infrastructure or contribute to product or service offerings. They can also include mentoring relationships to assist in scoping opportunities, designing the launch process, and providing on-going support. Given the significance of relationships, the following questions are helpful when considering whether to take a nontraditional path:

- What relationships will I need in order to successfully launch a nontraditional career path in areas of interest to me?
- How strong are current relationships?
- How could I deepen those relationships and identify new connections?
- What insights can my current connections offer about my prospective nontraditional path?
- Who might provide mentoring support?

In exploring questions such as these in each of the four areas, we can incorporate our internal decision making preferences and our preferred external, ethical framework into decisions about whether and how to proceed with a nontraditional career path. We can adopt similar practices with other career related decisions. Our career path then becomes practical and inspiring, benefiting ourselves and our communities, and supporting our purpose and meaning. We move closer to these words from Irenaeus of Lyon “the glory of God is the human person fully alive.”

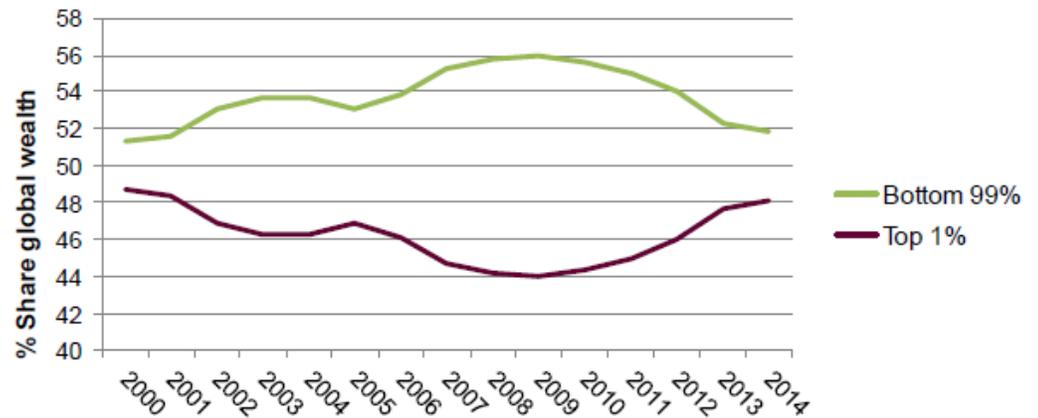
Parts of this article are drawn from *How to Build a Nontraditional Career Path*:

Embracing Economic Disruption, by Ron Elsdon (Praeger, 2014), *Business Behaving Well: Social Responsibility, from Learning to Doing*, edited by Ron Elsdon (Potomac Books, Inc., 2013), and *Building Workforce Strength: Creating Value through Workforce and Career Development* edited by Ron Elsdon (Praeger, 2010).

Societal Trends

As we have pointed out in previous newsletters, economic growth is not shared equally across our society, with the wealthiest among us benefitting excessively. This is a particularly critical issue in the United States. It is also a global concern. The following figure shows the share of global wealth owned by the top 1% and bottom 99%:

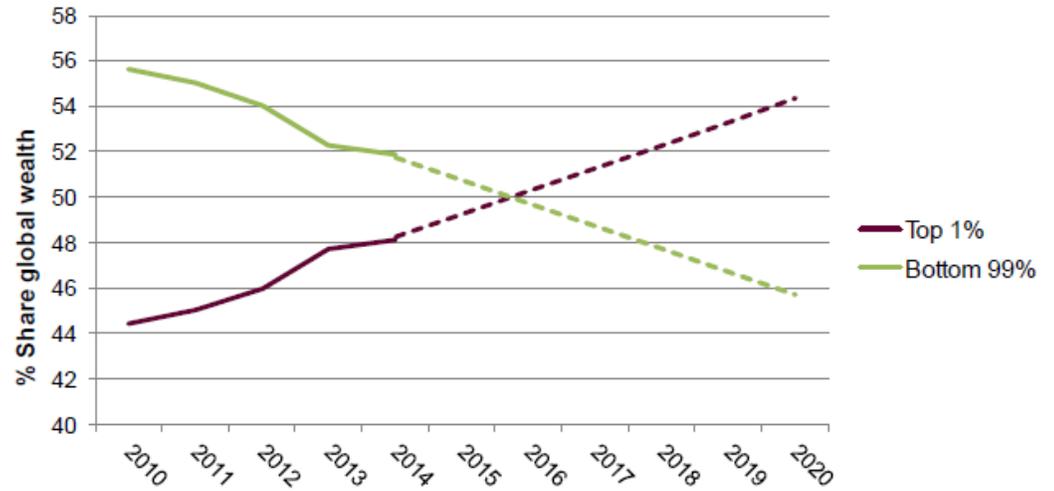
Figure 1: Share of global wealth of the top 1% and bottom 99% respectively; Credit Suisse data available 2000–2014.



Source: Oxfam Issue Briefing, *Having It All and Wanting More*, January 2015

The wealth of the top 1% is projected to exceed that of the bottom 99% by 2016, as shown in the following figure:

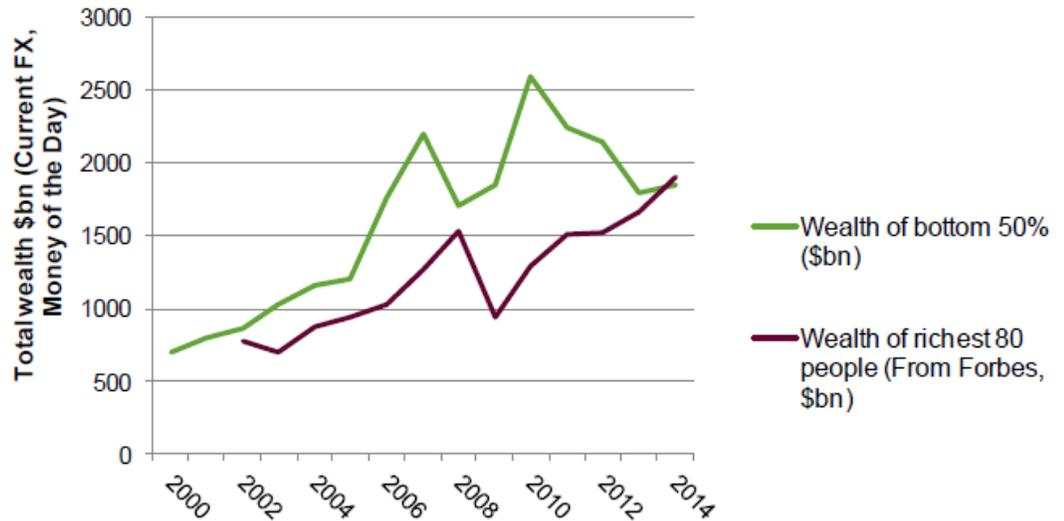
Figure 2: Share of global wealth of the top 1% and bottom 99% respectively; the dashed lines project the 2010–2014 trend. By 2016, the top 1% will have more than 50% of total global wealth.



Source: Oxfam Issue Briefing, Having It All and Wanting More, January 2015

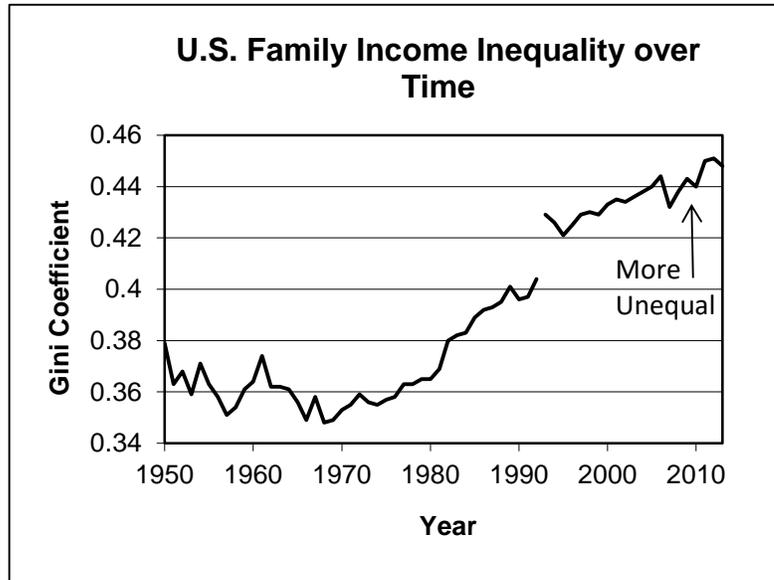
Indeed the wealth of the 80 richest people in the world now exceeds that of the bottom 50% of the world’s population. This small wealthy group of 80 has benefitted disproportionately in recent years, as shown in the following figure:

Figure 3: Wealth of the 80 richest people³ in the world has doubled⁴ in nominal terms between 2009 and 2014, while the wealth of the bottom 50% is lower in 2014 than it was in 2009.



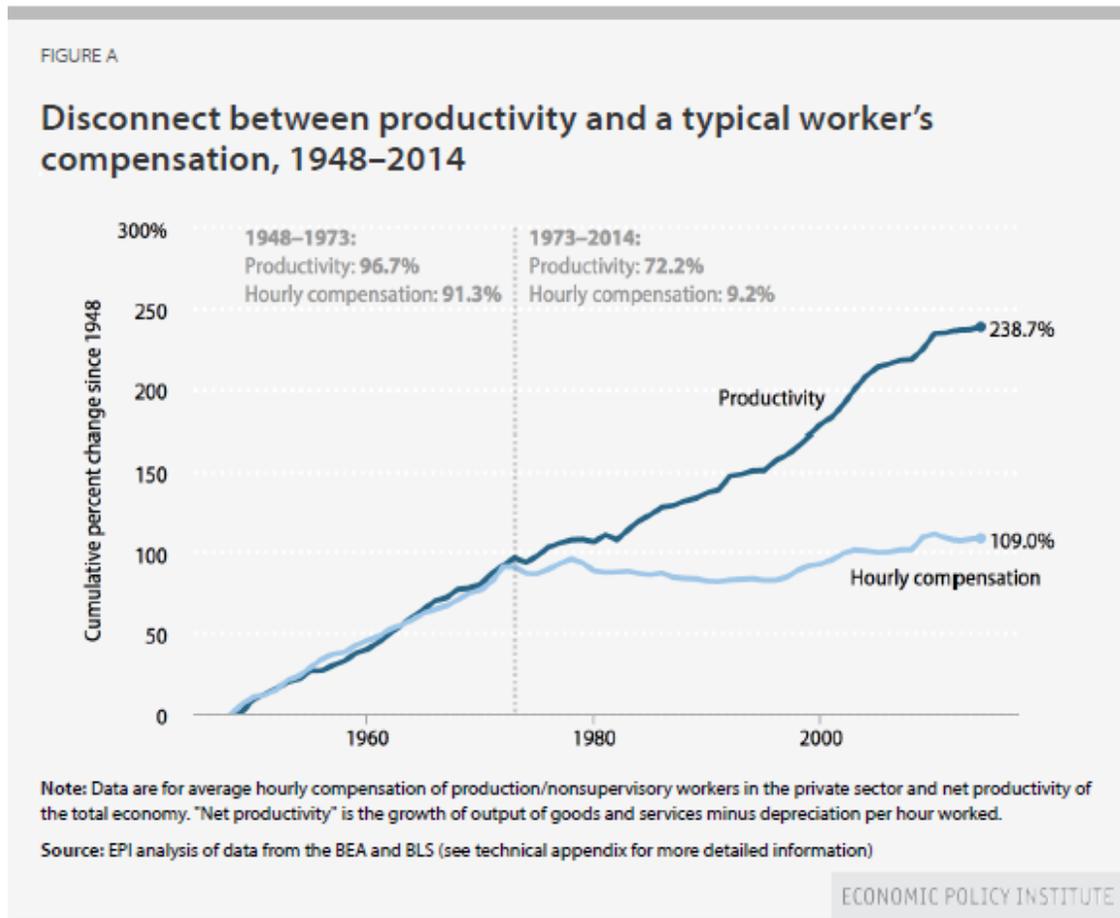
Source: Oxfam Issue Briefing, Having It All and Wanting More, January 2015

Income inequality in the United States, has increased markedly since the early 1980s, as shown in the following figure from *Business Behaving Well*, with additional recent information (the Gini coefficient is one well accepted measure of inequality, varying from a value of 0 where there is complete equality in a society to a value of 1 where one family or individual has everything):



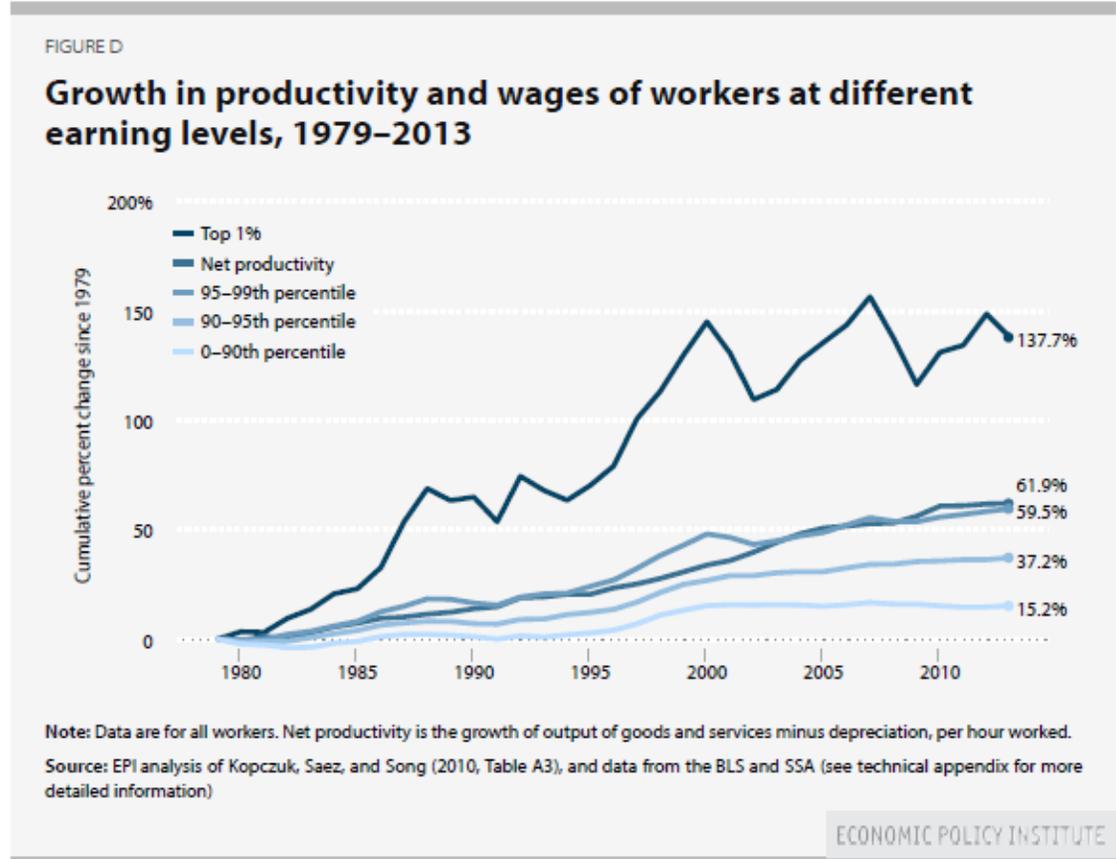
Source: Updated from Business Behaving Well: Social Responsibility, from Learning to Doing, Ron Elsdon (Potomac Books, Inc., 2013)

Given this pattern it is not surprising that, in the United States, workers' pay has not increased with productivity gains, as shown in the following figure:



Source: Economic Policy Institute, Briefing Paper, September 2, 2015, Understanding the Historic Divergence Between Productivity and a Typical Worker's Pay

While those at the top have benefitted disproportionately, as shown in the following figure:



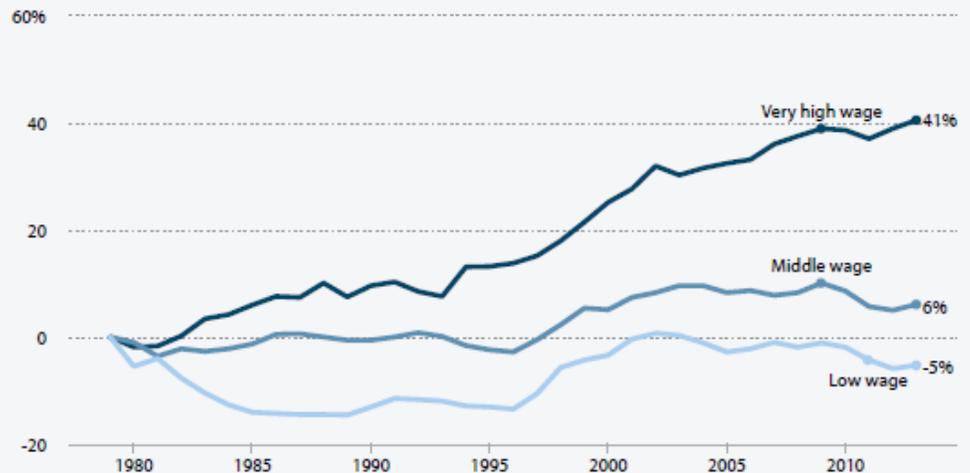
Source: Economic Policy Institute, Briefing Paper, September 2, 2015, Understanding the Historic Divergence Between Productivity and a Typical Worker's Pay

While those in the top 5% (the 95th percentile) have seen significant wage gains since 1979, those in the middle have been stagnant, and those in the lowest 10% have experienced declining wages, as shown in the following figure:

FIGURE 4 [VIEW INTERACTIVE on epi.org](#)

Middle-class wages are stagnant—Middle-wage workers' hourly wage is up 6% since 1979, low-wage workers' wages are down 5%, while those with very high wages saw a 41% increase

Cumulative change in real hourly wages of all workers, by wage percentile, 1979–2013*



* Low wage is 10th percentile, middle wage is 50th percentile, very high wage is 95th percentile.

Source: EPI analysis of Current Population Survey Outgoing Rotation Group microdata

Reproduced from Figure F in *Why America's Workers Need Faster Wage Growth—And What We Can Do About It*

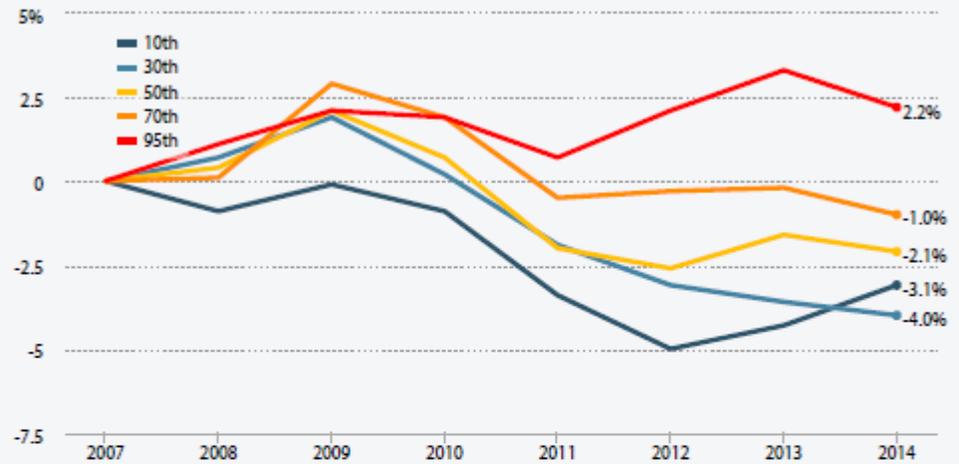
ECONOMIC POLICY INSTITUTE

Source: Economic Policy Institute, Wage Stagnation in Nine Charts, January 6, 2015

Also since 2007, only those in the top 5% (95th percentile) have seen any wage gain, as shown in the following figure:

FIGURE A [VIEW INTERACTIVE on epi.org](#)

Cumulative percent change in real hourly wages, by wage percentile, 2007–2014



Note: Sample based on all workers age 18–64. The xth-percentile wage is the wage at which x% of wage earners earn less and (100-x)% earn more.

Source: EPI analysis of Current Population Survey Outgoing Rotation Group microdata

ECONOMIC POLICY INSTITUTE

Figure A depicts some of the data presented in Table 1 by showing the cumulative change in real hourly wages for the 10th, 30th, 50th, 70th, and 95th percentiles between 2007 and 2014. After a sharp increase in real wages between 2008 and 2009, due primarily to negative inflation, wages for most groups fell through 2012. While there was an increase between 2012 and 2013, the increase was short-lived, and wages for most groups have fallen again over the last year. Wages for nearly all groups are lower in 2014 than they were at the end of the recession in 2009.

It is important to note that this fall in real wages over the last year was not accompanied by (or associated with) a significant jump in inflation. In fact, falling inflation over the last few months has led to an average inflation rate of only 1.6 percent between 2013 and 2014. Thus, the fall in real wages over the last year is clearly not driven by high inflation.

Source: Economic Policy Institute Issue Brief, 2014 Continues a 35-Year Trend of Broad-Based Wage Stagnation, February 19, 2015

Real wage declines are particularly severe for those at the lowest pay levels as shown in the following figure:

Figure 1. The Decline In Occupational Real Wages, 2009 to 2014



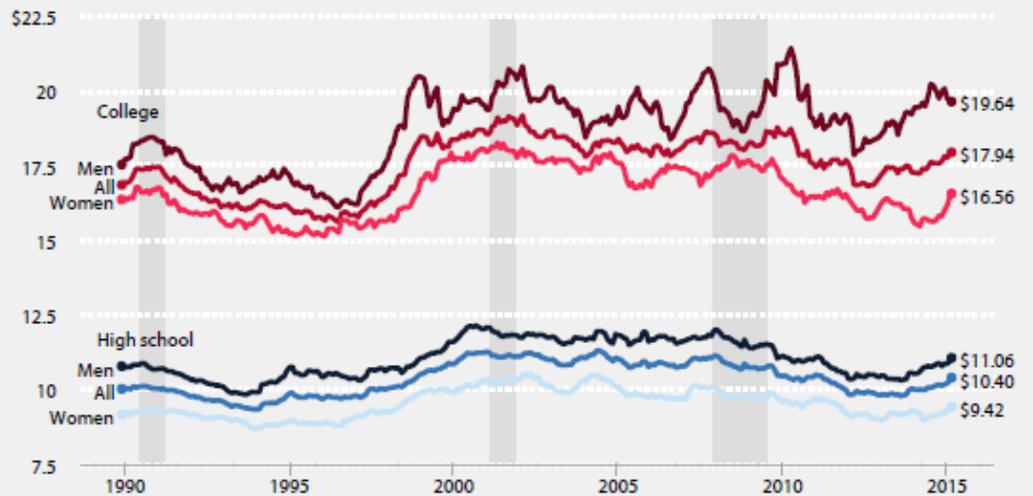
Source: NELP analysis of May 2009 and 2014 Occupational Employment Statistics.
 Note: Ranges shown represent the median hourly wage of the lowest- and highest-paid occupations within each quintile.

Source: National Employment Law Project Date Brief, September 2015, Occupational Wage Declines Since the Great Recession

Wage stagnation is also evident for younger workers at various education levels, as shown in the following figure:

FIGURE M

Real average hourly wages of young workers, by education, 1989–2015*



* Data reflect 12-month moving averages; data for 2015 represent 12-month average from April 2014 to March 2015.

Note: Data are for college graduates age 21–24 who do not have an advanced degree and are not enrolled in further schooling, and high school graduates age 17–20 who are not enrolled in further schooling. Shaded areas denote recessions.

Source: EPI analysis of Current Population Survey Outgoing Rotation Group microdata

Source: Economic Policy Institute Briefing Paper, The Class of 2015, Despite an Improving Economy, Young Grads Still Face an Uphill Climb, May 27, 2015

Trends of disproportionate gains for higher earners are evident in California, as shown in the following figure:

Growing Inequality

Like the rest of the country, California has seen a steep growth in inequality since the late 1970s. Workers in the bottom and the middle of the wage distribution saw their earnings decline in real terms, after adjusting for inflation, while high-wage workers saw their earnings rise. Real wages for the median worker (in the 50th percentile) declined by 5 percent.

Change in Real Wages in California, 1979–2014

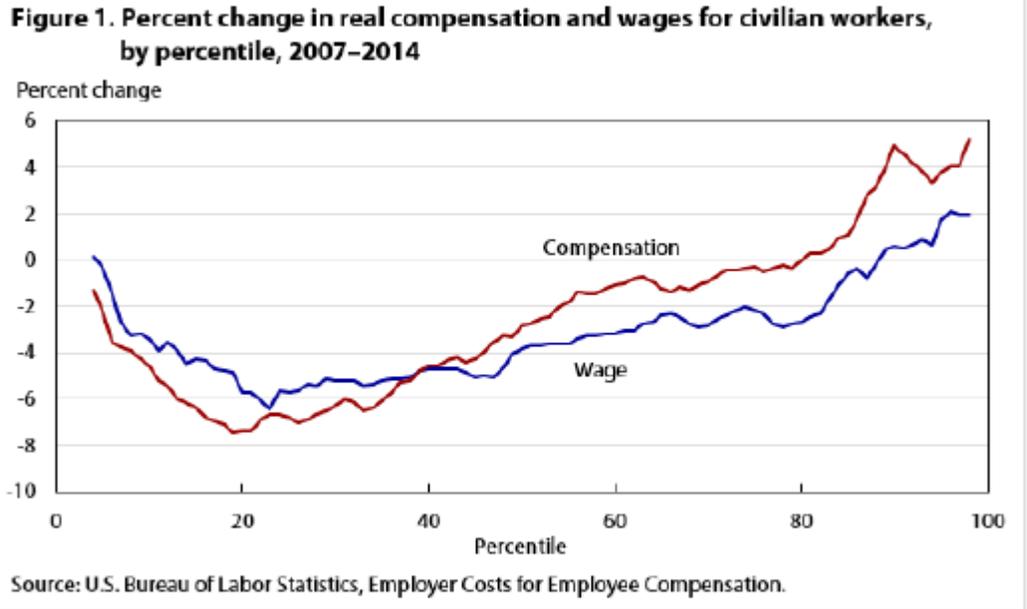


Source: Authors' analysis of Center for Economic and Policy Research's data extract of the Current Population Survey, Outgoing Rotation Groups, 1979–2014. Wages do not include tips, overtime pay, or commission.



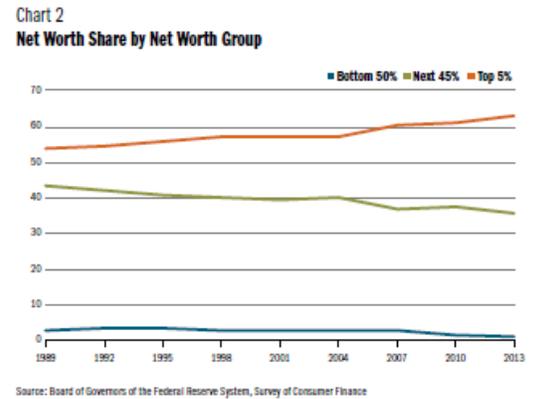
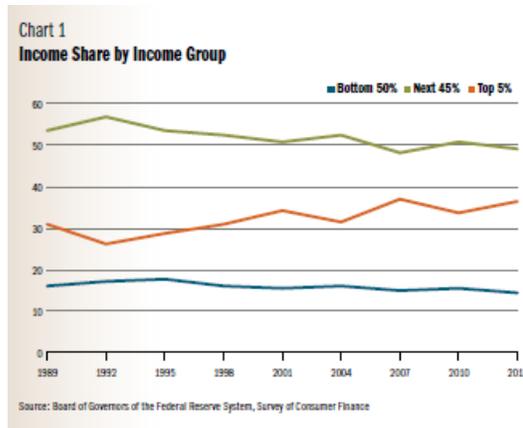
Source: UC Berkeley Labor Center, Low-Wage California: 2014 Chartbook, April 2015

The increase in inequality is even greater when benefits are included as shown in the following figure where compensation shown here includes benefits. Median compensation (50th percentile) declined between 2007 and 2014, driven by decreases for those at the lower end, while compensation at the top increased.



Source: BLS, Monthly Labor Review, Compensation Inequality: Evidence from the National Compensation Survey, July 2015.

Inequality is also much worse when we consider net worth rather than income, as shown in the following two figures where the red line shows the share of the top 5%:



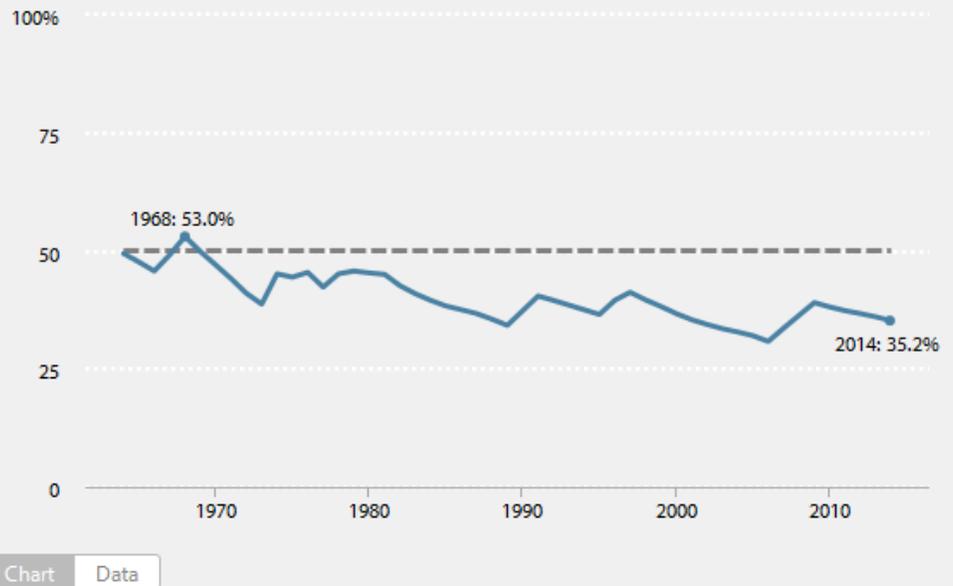
Source: Federal Reserve Bank of Atlanta, Divergence: Wealth and Income Inequality in the United States, EconSouth, September-December 2014.

Contributors to growing inequality in the United States, include a declining real minimum wage, as shown in the following figure:

ECONOMIC SNAPSHOT

A stagnating minimum wage has led to increased wage inequality

Federal minimum wage as a percentage of the average U.S. production worker wage, 1964–2014



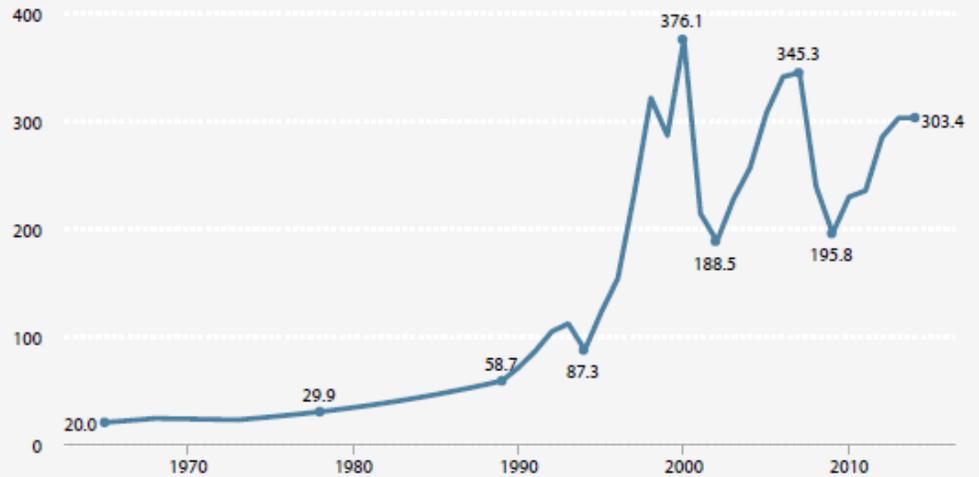
Source: Author's analysis of Current Employment Statistics survey data from the Bureau of Labor Statistics and the Fair Labor Standards Act and amendments

ECONOMIC POLICY INSTITUTE

Source: Economic Policy Institute, Economic Snapshot, April 1, 2015, David Cooper, A Stagnating Minimum Wage has Left Low-Wage Workers Facing a Longer Climb to Reach the Middle Class

Excessive CEO (and therefore also senior management) compensation is a significant factor, as shown in the following figure:

FIGURE C

CEO-to-worker compensation ratio, 1965–2014

Note: CEO annual compensation is computed using the "options realized" compensation series, which includes salary, bonus, restricted stock grants, options exercised, and long-term incentive payouts for CEOs at the top 350 U.S. firms ranked by sales.

Source: Authors' analysis of data from Compustat's ExecuComp database, Current Employment Statistics program, and the Bureau of Economic Analysis NIPA tables

ECONOMIC POLICY INSTITUTE

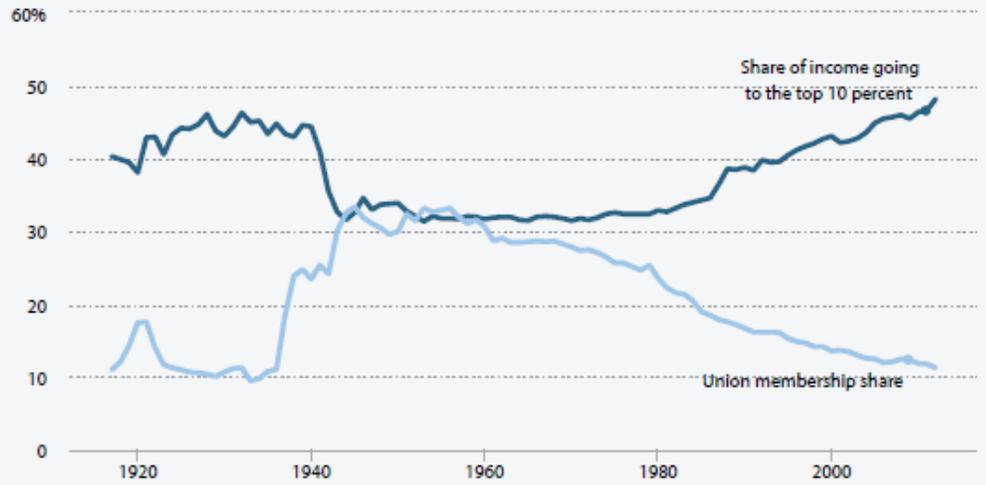
Source: Economic Policy Institute Issue Brief, Top CEOs Make 300 Times More than Typical Workers, June 21, 2015.

And declining union membership is a contributing factor, as shown in the following figure:

FIGURE 9 [VIEW INTERACTIVE on epi.org](#)

Decline in union membership mirrors income gains of top 10%

Union membership and share of income going to the top 10%, 1917–2012



Source: Data on union density follow the composite series found in *Historical Statistics of the United States*, updated to 2012 from unionstats.com. Income inequality (share of income to top 10%) from Piketty and Saez, "Income Inequality in the United States, 1913-1998," *Quarterly Journal of Economics*, 118(1), 2003, 1–39. Updated and downloadable data, for this series and other countries, are available at *The World's Top Income Database*. Updated September 2013.

ECONOMIC POLICY INSTITUTE

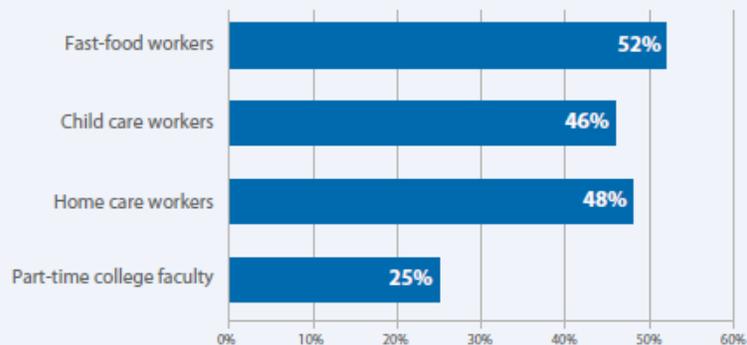
Source: Economic Policy Institute, Wage Stagnation in Nine Charts, January 6, 2015

Organizations paying low wages are effectively subsidized by all of us as their workers rely on public assistance to survive, as shown in the following figure:

Low-Wage Occupations and Public Assistance Rates

Reliance on public assistance can be found among workers in a diverse range of occupations. Three of the occupations with particularly high levels of public assistance program utilization that have been recently analyzed are front-line fast food workers,⁷ child care providers,⁸ and home care workers.⁹ Each of these have at or near 50 percent of their workforce in families with at least one family member relying on a public assistance program.

However, high reliance on public assistance programs among workers isn't found only in service occupations. Fully one-quarter of part-time college faculty and their families are enrolled in at least one of the public assistance programs analyzed in this report.¹⁰

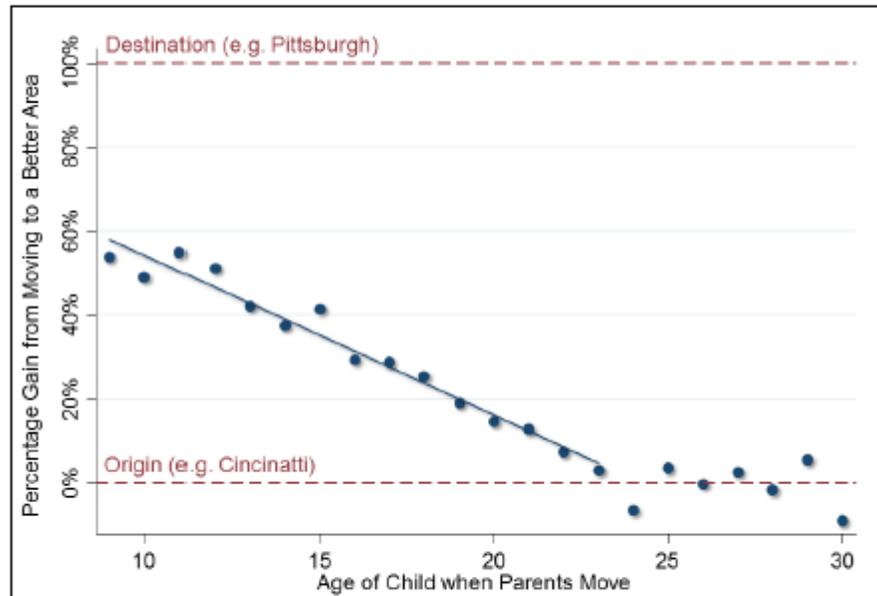


Notes: Workers and/or their dependents were enrolled in at least one of these four programs: Medicaid/CHIP, TANF, EITC, SNAP. The home care category includes workers in two main occupations: home health aides and personal care aides.

Source: UC Berkeley Labor Center, Research Brief, The High Public Cost of Low Wages, April 2015

We can glimpse the benefits of living in a supportive environment from a recent study that measures the benefit to children of moving to a neighborhood with better resources. The following figure shows wage gains in adulthood from such a move at different times in childhood:

FIGURE 1
Effects of Moving to a Different Neighborhood on a Child's Income in Adulthood



Notes: This figure plots the percentage gain from moving to a better area by the age at which the child moves. For example, children who move at age 9 have outcomes that are about 50% between the outcomes of children who grow up permanently in the origin and destination areas.

Source: Harvard University, The Impacts of Neighborhoods on Intergenerational Mobility, April 2015

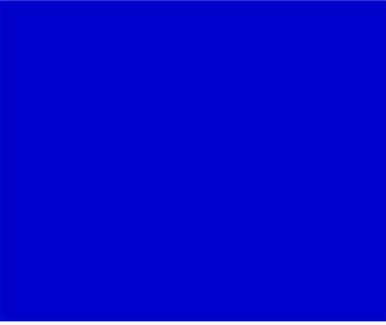
As another national election approaches in the United States, we are challenged to support those who advocate for all in our society. This means supporting those whose policies aim to reduce inequality, for example with progressive taxation, universal healthcare, and an increased minimum wage; rather than those who are, or are beholden to, the wealthy and powerful.

Quote

“May God bless us with discomfort at easy answers, half-truths, and superficial relationships – so we may live deep within our hearts.

May God bless us with anger at injustice, oppression, and exploitation of people and creation – so we may work with energy.

May God bless us with tears to shed for those who suffer from pain, rejection, hunger and war – so we may comfort them with our hands and turn pain into joy.



And may God bless us with enough foolishness to believe that we can make a difference in this world – so that we do what others claim cannot be done: bring justice and kindness to all our children, the poor and our Earth.”

Franciscan Blessing, Peace Lutheran Church, Danville, California, October 6, 2013.