

# core group theory & practice

With the publication of Art Kleiner's recent book **Who Really Matters**, The Core Group Theory of Power, Privilege and Success, Art shows that a "core group" isn't just the people at the top of the hierarchy; it is that group of people in any company whose interests and priorities are taken into account by people who make decisions. **For more on core groups go to [www.workecology.com/thoughtleadership.html](http://www.workecology.com/thoughtleadership.html).**

## **Jobs, Layoffs and Productivity – A Core Group Theory in Practice - IDG as an Action Research Lab**

By Lavinia Weissman

**"There is no job that is American's God-given right anymore."  
Carly Fiorina - CEO, Hewlett Packard**

To an outsider, it is not clear how and in what context speak Carly these words. Was it with resignation, anger or intent to examine rethink workforce effectiveness? Will HP's "core group", adopt a pattern of "survival and threat " or manage shareholder value through layoffs and short-term bottom line decisions? Or are they using this as a spur to innovation and creativity?

Is this statement a death wish like the famed Prime Computer directive to operate **"lean and mean."** "Lean and Mean" turned into a repetitive no win downward spiral for Prime computer after 20 years when the ax fell, July, 1992 and they went out of business. And if Carly meant this statement to spark innovation and creativity, what lessons might Carly and HP's Core Groups learn from International Data Group (IDG), which was formed 2 years after Prime Computer 2 miles down the road in Framingham, MA USA

IDG is a 39 year old, \$2.41 Billion privately held company with 13,000 employees. In 1964, when IDG was formed IT spending in the US was 80% of all spending versus today where IT spending in the US is at 35%. The \$2.41 Billion comprises the efforts of a constellation of federated businesses, each with its own autonomy and core group. IDG has adopted the federated model of business practice described at [www.workecology.com/thoughtleadership.html](http://www.workecology.com/thoughtleadership.html). IDG for the past 4 years, has been selected as a Fortune Magazine's top 100 best employer.

The core groups of these smaller IDG ventures, weave decisions and strategies that produce 400 magazines and knowledge centers that produce events, intellectual property and provide sector specific consultation services to their global clients woven by a strategic corporate mission ***"To enhance the quality of human life by being the world's leading source of information on technology."*** This strategy has distinguished any of the IDG related companies from their competitors who are limited by the mentality of publication and or consulting.

I recently interviewed Ellen Romanow, Executive Vice President of Sales and Customer Publishing for CXO Media, an IDG company that publishes CIO and CSO magazine. Ellen and I examined in our conversation the evolution of her career, accomplishments and the impact on her career in this phase on her leadership and how she influences jobs and careers at IDG.

Ellen and I examined her experience of core group practice from these perspectives specific to her entire career and with a focus on her experience at IDG. Ellen and I concluded by the end of our conversation -- that unlike Ellen's former employers, IDG is a lab for Core Group Theory and Practice. Ellen's IDG experience in the context of being a leader in a core group was very distinct from any other of her job experiences. Our conversation was fast paced and filled with give and take. Our conversation was shape by an iterative process that resulted in both of us asking questions. Questions like:

- How can a core group motivate its workforce?
- How do you navigate disagreements and conflicts?
- Is there a good approach to layoffs?

Like many women college graduates of the 70 and 80's, Ellen wanted to put her energy to building a career with promise that could grow out of her passion for learning. Ellen's strongest competence has been in identifying a project that she could shape out of her own initiative and master doing all part of this project well. Ellen's career portfolio tells includes a story that describes a talent for innovating products and projects that sparked innovation and grew from small circles of people who built trust with each other while they learned to do something new.

Ellen's previous employers include a list of best practice companies, e.g. US Trust (currently merged with Citizens Bank), Reed Elsevier/Cahners Publishing, Inc. Magazine, Ziff Davis Publishers and now IDG division, CXO Media. Ellen's early career was in banking where she oversaw marketing for corporate, retail, commercial and trust departments. Ellen was the member of the team of people that authored the first business plan for Inc. Magazine. Early in her career, she authored the first custom content advertising program at Cahners that she adopted for Ziff Davis and CIO.

When Ellen joined CXO Media (IDG), she found herself part of a 15-member core group that leads CXO Media and her leadership style relaxed into a form of mentoring that leverages learning with her core group and subordinates. Ellen meets regularly with the CXO Media Core Group where she brainstorms, shares in making decisions relating to strategy, performance and the CXO Media bottom line.

This core group operates with its own autonomy without interference from the central venture group that spins and weaves new IDG businesses. It is assumed in the IDG culture that the strategic core group leads their smaller businesses with very little interaction, as long as the business group is meeting its numbers.

In synch with Ellen's decision to discover more balance at home, Ellen took what she learned through her own leadership core group and adopted the method for her staff by launching a 17 member core group.

At home, Ellen's family found she was more relaxed and emotionally available. At work, through participation with her leadership and sales staff core groups, Ellen found that she was part of a team that fostered communications with facilitation for HR that tackled difficult issues and problem solved.

Priorities were extracted from a group process rather than driven by one individual and meetings became productive working sessions used to develop tools for the entire team that were adopted and put into action on a private intranet for the group.

One larger question that Ellen and I explored together focused on

**What a core group can foster in terms of jobs, performance and layoffs?**

This question is a real context setter for thinking about and identifying a core group pattern. It led me to think closely about two core questions of inquiry for Core Group Theory and Practice

- 1. How does a Core Group fostering talent, innovation and a commitment to people who muster quality performance?***
- 2. Has can a core group provide infrastructure for worker individual career success that rewards performance in the context of team working, learning and the codification of knowledge? And hence motivates and empowers employee confidence?***

Within CXO Media, every person is valuable to the mix and has the opportunity to work at their most accomplished edge based on their knowledge of customers and performing competently. While work hours are demanding, Ellen described the IDG culture at CXO Media to have a caring attitude; people chip in for those who experience challenges at home, e.g. illness, divorce, death and loss, challenging care giving and child-rearing.

Individual employees are mentored for talent, accomplishment and learning as much as they are managed for to meet their numbers or performance goals. This approach is similar to the view of **“Getting employees to share a purpose beyond making money is the only way to consistently deliver shareholder value,”** fostered at Medtronics, Inc., Bill George, former CEO and Chairman.

The CXO Media culture does not focus “bottom line conversation.” Dialogue is part of the day that includes brainstorming and strategic questioning. The leadership core group of CXO Media believes and acts out of the belief that is an important part of their job to make

decisions and communicate them in a way that invites feedback and encourages difficult conversations.

Since the e-commerce bubble burst, IDG has had 2 layoffs. In Ellen's group, layoff decisions are determined from individual performance reviews. These reviews were about structuring the workforce around talent and responding to a time that was going to push people to give 150%. This engendered a review process that was core group based and difficult.

In each instance, a team organized, so that individuals on the team could inform 1 or 2 people within a short duration of time rather than a deadening process that took one day and was done by one or two people. After the initial communication, people were given time to do what they wanted – say their goodbyes, pack up their offices and review what they needed with HR. Ellen then called each individual and extended her apologies for the impact on their life with respect to the layoff decision. These layoffs are remembered by those who lost their jobs as something difficult done with dignity. Are those the same memories at IBM and HP?

Our next phase of conversation grew from this question:

### **How a core group fosters capacity building in these unpredictable times?**

Fostering capacity is not a widely used description used by organizations today, especially, companies that are focused on transferring jobs overseas and layoffs as a bottom line strategy. In my studies of company trends and companies that Tom Peters would describe as, "**built to decline**," Digital Equipment Corporation (DEC) began its downsizing from a headcount of 160,000 employees globally to a final reduction pre-Compaq acquisition of 35,000 people.

IDG by comparison to Digital Equipment Corporation is a small company of 13,000 people that has grown with focused plans and added resource to meet the tangible measures of those plans. It is a given among leaders in the IDG federation that you are hired to meet your numbers and do your best. When you do your best the corporate leadership leaves you alone.

In the current post e-commerce bubble burst economy, IDG leadership expect you to lean toward caution and at the same time innovate and show initiative. This meant mustering intangible measures, e.g. new products, services, etc and proving their capacity and relevance to customer need.

Ellen asserts that IDG leadership benefit from one of the best HR practices in industry. Every conversation with a human resource staff is confidential and does not engender politics. It is in service of capacity building. HR gives everyone the opportunity/choice to utilize the function for coaching or mediation as a conscious decision on part o anyone. HR facilitated mediation instills compromise, examination of difficult conversations and a mission to serve people in the context of serving the mission of the organization.

Now as part of a core leadership group, she has found that she can brainstorm solutions to difficult problems or ideas for new products and formulating their development and introduction. In the past, Ellen mustered her guidance from inside herself without coaching or employer based reflective or generative dialogue. Since joining IDG, Ellen has sought support from friends and a system of personal growth examination that grew out of her interest for more happiness and a more relaxed way of life with her family.

Ellen as a leader has been building with her core group the thought leadership that serves some of the most difficult and challenging kinds of conversations that leaders can work with in chaotic economic times by

- Managing problem subordinates when you are staffed to give more than is available;
- Innovating and introducing new product;
- Forming a geographically dispersed group, who work in isolation with forms of communication that build to maximize productivity in the same form that local groups have learned at IDG.

IDG is a company that has described itself a network that is investigating the benchmarking of jobs that require new competencies, skills and practices. This approach is a new practice in the context of core group theory and a practice that fosters innovation and customer responsiveness in chaotic economy where larger companies practices, e.g. HP in the mode of survival and threat, offshore outsourcing and layoffs.

**About the Author, Lavinia Weissman and WorkEcology**

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WorkEcology is a **"tipping point"** for companies and individuals who are learning and employing sustainable and ethical work practices. Initiatives organized by companies within the WorkEcology CoP spark an organizational health that provides a return on investment to investors and continuous flow of work and influences emotional stability and health for today's workers who chose to contribute to a job well done.

Lavinia Weissman is the founder of WorkEcology CoP. Lavinia is an experienced researcher, analyst and organization development/effectiveness consultant.