

CHAPTER ONE

THE MONA LISA IS SO SMALL!

Have you ever been to the Louvre in Paris?

There are those who visit the Louvre to revel in the brilliance of art. There are many, however, whose sole purpose is to rush through the first-floor entrance, plowing past the thirteenth-, fourteenth-, and fifteenth-century Italian paintings to remark out loud, “Wow, the Mona Lisa is so small.” They then proceed to the next Parisian tourist attraction like the Palais-Royal or the Panthéon, saying afterward to their friends, “Yes, I’ve been to the Louvre and have seen the Mona Lisa.”

Those who rush to view only the Mona Lisa at the Louvre are myopic and foolish and akin to much of what is going wrong with leadership today. The current state of leadership should make us fearful. We can’t merely tick the box that states “Mona Lisa” and suggest that we’ve covered the art world. So which type are you? Do you visit the Louvre to prove you’ve seen the Mona Lisa? Or do you savor the experience of being present in the other galleries?

Mike Johnson once said, “The ability to engage employees, to make them work with our business, is going to be one of the greatest organizational battles of the coming ten years.”¹ It’s been nearly a decade since he penned those words in his 2004 book *New Rules of Engagement: Life-Work Balance and Employee Commitment*. They could have been written today—and perhaps in an even more urgent tone. Leadership models—of which there been many of late—have failed people and organizations.

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We recognize it's a question of leadership. It's a question of whether we are embracing the desire of employees to actually be treated like adults. It's a question of maturity; leaders cannot fathom the loss of control, yet paradoxically, it's the more creative and less hierarchical leader who is, in fact, empowering his or her team and getting better results.

Organizations realize that success is achieved through effective leadership, but if engaged employees is the primary outcome we desire from effective leadership, then it's a question of whether we are embracing employees' desires, first and foremost to be treated like responsible adults. Traditional leaders struggle with this concept as it represents a loss of control for them, but creative, less hierarchical-minded leaders who empower their employees are getting better results, and in turn, are empowered and emboldened to reach for greater successes with their cohort.

As I thought through this idea, the notion of *Flat Army* came to me. Sounds intriguing, doesn't it?

This book weaves together my thinking around organizations—that they are at an inflection point, and perhaps even a crisis point. When we hear the word “army,” we typically picture images of war in our heads. I, on the other hand, think of fishing boats. The word “army” is derived from *armata*, a medieval Latin term used first in 1533 to depict a fleet of things moving together—an armada, if you will. This, to me, is the essence of an army—a group of people striving, leading together to achieve a common goal.

We need to move together again as an organization. Leadership doesn't come from one, it comes from all. This is why the word “flat” comes in front of army. Flat denotes equality and togetherness. In the English language, “flat” can be used in myriad different ways. For purposes of this book—and my central thesis—I use it to define horizontal connectedness.

Flat Army's audacious goal is to give your organization new life. It aims to free you of the bonds of leadership styles and models that continue to exacerbate disengagement levels of employees, worker dissatisfaction and general innovation malaise. It demonstrates how to both flatten and reunite the armada—and thus the fleet of fishing vessels. The elements

of social technologies, collaboration, participation, pervasive learning and connected leadership are frameworks to help both the individual and the organization succeed in the years to come.

Flat Army doesn't diss situational hierarchy, but an overarching omnipresent hierarchy across the organization, controlled by principles of command and control, is an illogical and unsuitable model in a time when the employee wants to desperately become part of the fishing boat armada. They no longer want to be left ashore.

Our people need to move together again, in the armada, as a collective one.

Concepts like engagement, open leadership, empowerment, new learning paradigms and collaborative behaviors are not inescapable diseases on a boat. There is a cure for those stuck in hierarchical hell. There is hope. But through this observation, I must pose a few questions.

It's time we ask ourselves about the root cause of employee disengagement and vacillation. Is the way in which leaders are leading their teams, organizations and people so antiquated and traditional that employees are being forced to ride a wave for which we might coin the term "the corporate crestfallen"? Why aren't organizations and leaders paying enough attention to whether or not an employee actually wants to be at work? If she does, she makes a meaningful contribution and is productive, whereas if she doesn't, she's merely putting in time and collecting a paycheck. And for those who are paying attention and trying to improve engagement and leadership practices, why have employees plateaued in terms of their level of organizational engagement?

According to Gallup, a global human capital consulting firm, overall employee engagement since 2000 has remained at a paltry 30 percent. More shockingly, levels of active disengagement as well as those simply not engaged in their roles have continued to remain flat at 20 percent and 50 percent respectively.² Gallup's most recent report, however, issued in 2011, entitled *State of the Global Workforce*, and based on research with over

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47,000 employees in 120 countries around the world, tells an even more chilling corporate-engagement tale:

The overall results indicate that 11% of workers worldwide are engaged. In other words, about one in nine employees worldwide is emotionally connected to their workplaces and feels he or she has the resources and support they need to succeed. The majority of workers, 62%, are not engaged—that is, emotionally detached and likely to be doing little more than is necessary to keep their jobs. And 27% are actively disengaged, indicating they view their workplaces negatively and are liable to spread that negativity to others.³

Another human capital consulting firm, BlessingWhite, also found in 2008 that 19 percent of employees were disengaged, 52 percent were only moderately engaged, and 29 percent were fully engaged.⁴

For more than a decade, and however you slice it through whatever external consulting firm's data points, roughly 70 percent to 80 percent of any organization has effectively acted in a practice of workplace ambivalence. The employees would rather not be at work, or worse, they're simply participating in some form of corporate coma—a catatonic catastrophe in the organization if you ask me.

Moreover, why aren't leaders actually doing something about the data that haunts their every move? In a report entitled *Global Leadership Forecast* conducted by Development Dimensions International (DDI) with over 14,000 global leaders, DDI's research indicates that

organizations with the highest quality leaders [are] thirteen times more likely to outperform their competition in key bottom-line metrics such as financial performance, quality of products and services, employee engagement, and customer satisfaction.⁵

DDI further asserts that “organizations with higher quality leadership [are] up to three times more likely to retain more employees than their competition; they also [have] more than five times the number of highly engaged leaders.”⁶

Maybe it's time leaders started reading the fine print of those internal employee satisfaction surveys.

The disconsolate must be helped. I intend to do this by building a framework for the book around the following points in order to help you and me create some common ground.

- Common engagement at work (the concept of feeling good, included, valued and willing to go above and beyond the call of duty in effort and praise) is a key link to workplace productivity.
- Organizational attachment can be thought of as the emotional, connected and intellectual commitment to an employee's place of work.
- Approximately 70 percent of employees aren't as engaged as they should be at their place of work.
- If an employee is engaged, he is more productive, and by being more productive, business results improve and customers are happier. (The employees tell their friends about how much they love going to work and thus are good ambassadors to the brand, products, services and so on.)
- Leaders are using leadership design models (and engagement methods) incongruent to today's workplace needs.
- Learning is an integral part of engagement, yet, moronically, we continue to stuff employees into a classroom and posit that's where the learning takes place.
- Society has become more technologically connected and in many places more open and collaborative, but the workplace is stuck in a form of organizational ambivalence.

MY FEARS

Why do I care? I care because I fear, but the only power I carry is the power of observation. My observations, ergo, are fearful.

I fear for my children, currently aged 9, 7 and 5, who will be joining the employment ranks in a few short years. I want them to join (or start) a workforce and an organization that espouses heterarchy and situational hierarchy versus a continuous command-and-control mode of operating. I want them not to fear their place of work, but to be raving fans and thus

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highly engaged, happy and productive employees. I want their careers to be culturally prosperous. I want them to feel as though there is no delineation between the way in which their homes are run (presumably, open, happy and engaging) and their place of work.

I fear for the so-called Millennials—those born between 1982 and 2004—who currently sit at the bottom of the management food chain, if they are employed at all. Theirs is a DNA of curiosity, community and creativity. How long will it be until their frustration level boils over from the ineptness of today's corporate culture and leadership misfits?

I, as someone born in 1971 and thus termed a member of Generation X by fellow Canadian Douglas Coupland, am also fearful for my own generation. In a 2011 press release, the Center for Talent Innovation reports that 37 percent of Gen X employees are looking to leave their current employers within three years.⁷ If two out of every five 30- to 45-year-olds want to jump ship, I fear somewhere along the way we've written a story line that has the next generation of potential leaders tuning out.

This brings us to the baby-boomer generation—the cohort also colloquially known as the Woodstock generation. An interesting study published in 2001 suggests that baby boomers are more affected by perceptions of office politics than is the case for Gen X workers, for example, and such perceptions have a negative effect on their job performance.⁸ Boomers are known to have a focus on individual achievement; thus, I fear the natural tendency of any baby-boomer-aged leader is to lead through the demonstration of power and will. Excluding an open culture, coupled with a sense of individualism, is perhaps a primary factor in the lack of overall organizational engagement in today's workplace. Granted, the boomers are hitting retirement age, but there is a legacy left behind that is going to handcuff organizations for years to come if we don't do something about it now. The eradication of past bad practice, one could argue, is at the hands of this generation.

Add it all up, and I'm fearful for the current and future state of organizations that don't react positively to this information.

WHOSE JOB IS LEADERSHIP, ANYWAY?

I have more questions.

Regardless of my musings on my kids' future and a mild swipe at the generations in the workplace, how does this current state of leadership actually affect employee engagement? What is the effect of both good and bad leadership as it pertains to organizational health and engagement? Have we reached a point where employees are forced to mutely scream from the hilltops—out of exasperation—indicating current modes of leadership are obsolete for today's world?

From a leadership perspective, who actually is responsible for employee engagement? Who is responsible for the act of leadership? According to Hay Group, another global management consulting firm, 63 percent of CEOs and other members of the top team reckon it's the top leaders in the company who are "chiefly responsible for staff engagement and leadership," but only 38 percent of those outside the C-Suite agree that the top tier is responsible.⁹ Now *that* is a disturbing leadership and engagement paradox.

Is job satisfaction correlated to employee engagement? Or is job satisfaction more correlated to life satisfaction?¹⁰ And if job satisfaction is akin to life satisfaction, are leaders paying enough attention to their employees such that they are in fact caring about their lives, connecting in ways that allow them to enact life-work balance and a sense of community, and a sense of belonging with their colleagues? Do today's leaders actually care about the person who is doing the work? Do they even know her name, let alone what provides her with job satisfaction?

Between 1985 and 2005, the number of Americans who stated they felt satisfied with the way life was treating them decreased by roughly 30 percent. Even more shocking was the number of dissatisfied people; this increased by nearly 50 percent. The reasons appear to be related to Americans' declining attachments to friends and family, lower participation in social and civic activities and diminished trust in political institutions.¹¹

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Rather than life imitating art, is life imitating the organization instead? As levels of employee engagement have dropped and subsequently stagnated over the past thirty years, it's no wonder the perceived quality of life has decreased as well.

This raises the question of whether today's leaders know if members of their direct report teams have children or not. It's cheeky, I know, but it's a valid question. Does leadership equate to cardboard cut-out relationships or is it an engaging and personal liaison opportunity?

If employees are enthusiastic, committed, passionate and generally into their work, isn't it time leaders of any stripe, at any step in the hierarchy chain, acted with more humility and were less parochial?¹²

Does the health of an organization and its overall engagement correlate to productivity, and in return, financial results? Does it correlate to customer loyalty, employee turnover and retention? While the questions may sound rhetorical, why do command-and-control tactics dominate the workspace versus "cultivate and coordinate" tactics as per MIT Sloan School of Management professor Tom Malone's suggestion from his book *The Future of Work*?¹³

Have we not reached, therefore, a professional paradox in the workplace? Shouldn't we be advocating for and developing a more engaged leader?

Has the organization become so blind that, within the underbelly of the top leadership ranks, a professional mutiny is in the works? Perhaps it's already in motion. A mutiny that manifests in human capital contradiction where employees are either punching in their time to simply get through the day or in eternal job searches hunting for the Holy Grail organization that actually cares about their well-being.

And leaders who sit ignorant of the brewing storm continue to commit offenses of managerial misdemeanor.

The job that people perform is central, or at least a large part of their personal identity. Picture yourself meeting someone for the first time at a cocktail party or a community gathering or your child's first soccer practice. What do you inevitably ask within the first two minutes of your initial conversation? "So, what do you do? Where do you work? How long have you been there?"

When your new acquaintance looks sheepish, or, worse, nosedives into an apoplectic rant about his place of work, you might do one of three things:

- Wince, smile and nod, and affirm that his place of work is awful.
- Agree never to buy the company's product or service due to this diabolical repudiation.
- Hold your breath, wait for the conversation to end, and find the nearest safe harbor as soon as you can.

It is time, therefore, to introduce *Flat Army*.

Employees in today's organizations are expecting more from leaders than what is currently being offered. Sadly and paradoxically, 69 percent of executives agree; they too feel engagement and leadership is a problem in their organizations.¹⁴

It is time to connect the dots between leadership, engagement, learning, technology and collaboration.

ENGAGING DEFINITIONS

The concept of employee engagement itself is amorphous. Contradictory definitions exist across many realms. I've always been fascinated by the term "engagement." It can mean so many things. It can also be interpreted in so many different ways. There are differences in the way engagement is thought of within the corporate world, in academic circles and among consultants. For example, is employee engagement about an outcome—demonstrating loyalty, job satisfaction, and a likelihood to recommend products and services to your neighbor—or is it a psychological state of being focused, driven and dedicated?

On the other hand, organizations that sound the trumpet of annual, quarterly or weekly engagement gimmicks to allegedly improve employee engagement are somewhere between daft and imbecilic. An employee may be tricked with cotton candy once, but she is eventually going to figure out it's only made of sugar and fancy food coloring.

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Richard Axelrod refers to it as plug-and-play activities: “Successful employee-engagement practice is not about plugging in a set of tools and techniques that you just read about in some hotshot guru’s latest book—and then expecting engaged employees to magically appear.”¹⁵

Cotton-candy gimmicks are also paradoxical; senior leaders might seem to think they’re the right thing to do, but employees everywhere see them for what they are, which is fool’s gold.

In 2011, Azka Ghafoor, Tahir Masood Qureshi, M. Aslam Khan and Syed Tahir Hijazi from the University of Central Punjab in Lahore, Pakistan, published research entitled “Transformational leadership, employee engagement and performance: Mediating effect of psychological ownership.” These professors sought to show that an employee is engaged when he demonstrates what they refer to as “psychological ownership.” And more specifically, that when backed by transformational leadership (and leaders), employees thrive on the basis of “self-identity, belongingness, self-efficacy and responsible attitude”:

*Employee engagement makes employees more accountable and enhances the sense of belongingness. Employee engagement practiced under transformational leadership develops the positivity in behavior that leads to trust and satisfaction that enhances sense of belongingness. The sense of ownership is supported by the perception of citizenship of employees. Once employees feel themselves as part of the organization their self-identity with organization improves. This identity and association with the organization develops commitment in employees and their performance increases.*¹⁶

That is, when an employee feels as though she is a part of something, when there is unequivocal trust in the workplace and when backed by an environment that is positive and coupled by inclusive leadership, that employee will become engaged and ultimately more productive.

There are those, however, who feel engagement is a load of bricks weighing the organization down and ultimately it’s all a waste of time. Laurie Bassi and Dan McMurrer in “Does Engagement Really Drive

Results?” suggest the drivers of employee engagement are not uniform across multiple businesses and industries, nor are they correlated to actual business results.¹⁷ They argue engagement cannot be measured equally across the varying functions of an organization or between different business verticals. Furthermore, they purport the current methods in which employee engagement is measured doesn't have much to do with the actual business results of an organization.

In a conversation with thought leader and author of the book *Organizations Don't Tweet—People Do*, Euan Semple said to me:

If someone came up to you, called you an 'employee' and asked you to 'engage' with them, how would you feel? The phrase has its own demise baked into it. If you really want an engaged workforce, treat [people] as fellow grown-ups working together for a shared purpose. Have real conversations with them about your real challenges and take what they say seriously. If you don't they are likely to keep you at arm's length and only give you a fraction of the support they are capable of.¹⁸

Research also indicates that the correlation between job satisfaction (akin to engagement) and an increase in job performance is a paltry 0.3 percent.¹⁹ Suffice it to say, there are some naysayers out there that believe employee engagement itself is much like uncooked pasta—full of potential energy but ultimately useless.

Karl Fischer, a regional vice president for Marriott International, disagrees with those who are anti-employee engagement. He believes that as employee engagement goes up, so too does employee performance. In his particular example, for hotel sites that demonstrate a highly engaged workforce, hotel revenues increase 12 percent and there is a 9 percent increase in hotel profit margin per compensation dollar. Furthermore, an engaged Marriott employee translates into a 9-percent reduction of guests experiencing problems, and guests are 11 percent more likely to return to a Marriott property when interacting with an engaged employee.²⁰

The paradox continues even as we try to define employee engagement itself.

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But I'm with Karl on this one. As you'll see through the coming chapters, engagement is in fact linked to leadership; it's that our leadership style is running up against nineteenth- and twentieth-century behavioral relics.

There are big players in the human resources, human capital and talent management consulting space, some of whom are mentioned above, who significantly invested in defining the term "employee engagement"; they provide consultative services to organizations that want to both fix and potentially increase engagement within their organizations. Some also provide employee engagement or satisfaction survey services. This is big business with revenue and profit hinging on the entire employee engagement definition and outcome.

Gallup defines an engaged employee as one who will

*work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.*²¹

Towers Perrin (now Towers Watson) specifies employees need both the will and the way in which to actually demonstrate engagement. It defines it in the following way:

- *Employees need the will: the sense of mission, passion and pride that motivates them to give that all-important discretionary effort. And they need the way: the resources, support and tools from the organization to act on their sense of mission and passion.*²²

AON Hewitt defines engagement as the point at which employees

- *speak positively about the organization to co-workers, potential employees and customers;*
- *have an intense desire to be a member of the organization; and*
- *exert extra effort and are dedicated to doing the very best job possible to contribute to the organization's business success.*²³

AON Hewitt labels the three aforementioned bullets as "say," "stay," and "strive."

Hay Group defines employee engagement as

- *the commitment employees feel toward their organization; and*
- *employees' discretionary effort—their willingness to go above and beyond the call of duty or go the extra mile for the organization.*²⁴

At its root, employee engagement and the act of measuring it, acting on it and utilizing it as a measure of organizational health can have whatever definition suits a particular organization. What matters most, however, is the consistency with which action is taken throughout the organization.

After reading their book *The Enemy of Engagement: Put an End to Workplace Frustration—and Get the Most from Your Employees*, I became quite fond of authors Mark Royal and Tom Agnew's definition of engagement:

*Though frameworks for understanding engagement vary, the concept is commonly understood to capture levels of commitment and discretionary effort exhibited by employees. Engaged employees can be expected to display high levels of attachment to an organization and a strong desire to remain a part of it. Consequently, engaged employees are more likely to be willing to go above and beyond the formal requirements of the job, contribute organizational citizenship behaviors, pour extra effort into their work, and deliver superior performance.*²⁵

If an employee has the wherewithal to go above and beyond the call of duty, wants to contribute organizational citizenship behaviors, and will recommend to others how fantastic an organization he or she works at, it really does have to link back to leadership.

Engagement, therefore, and in my opinion, is about whether or not an employee feels trusted by leaders to do the right thing when it counts. When trust is reciprocal between both the leader and the individual employee, that's when we start seeing an engaged employee who feels connected, a part of the solution, and who will finally go beyond the call of duty demonstrating extra effort, positive feedback to friends, willingness to collaborate, mitigated flight risk, etc. That's when the leader

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becomes open, and thus trusting, to include the employee in discussions, decisions and ideas. It's when the employee is trustful of the leader to actually contribute, to suggest and to also go above the call of duty. It's leadership quid pro quo.

That is the point at which an employee is engaged and will ultimately be a happier and contributing person of the organization—one who will recommend the organization to others.

For the purposes of this book, we define “employee engagement” as follows:

Employee engagement: The state in which there is reciprocal trust between the employee and leadership to do what's right however, whenever and with whomever.

WHY IS ENGAGEMENT GOOD?

The general population of employees is either disengaged or not engaged (totalling roughly 70 percent according to Gallup and others), CEOs and other executives believe engagement is a problem (and something to mitigate), and when compared to performance and business results, there are varying opinions and results.

Is employee engagement a good thing? Should we actually care?

According to various outlets and research, one side of the paradox continues to demonstrate that an organization which remains blind to employee engagement does and will suffer for fools, for there are ample statistics and metrics that prove its worth:

- A highly engaged organization has the potential to reduce staff turnover by 87 percent and can provide a corresponding increase in performance by 20 percent.²⁶
- If there is a 1-percent increase in employee engagement such that an employee commits to the most appropriate customer action, it can lead to a monthly increase of 9 percent in sales.²⁷

- Companies with an engaged workforce improve operating income by 19 percent while companies with low engagement results see operating income decline by 32 percent.²⁸
- An engaged employee has a willingness to do more than expected (39 percent), higher level of productivity (27 percent), better working relationships (13 percent) and more satisfied customers (10 percent).²⁹
- Higher employee engagement results in a 50-percent reduction in reportable accidents, from eighteen per one hundred to nine per hundred.³⁰
- More than 66 percent of managers who report they are engaged at work also claim high productivity levels.³¹
- Companies with engaged employees have operating margins 5.75 percent greater than those of low-engagement companies; net profit margins are also 3.44 percent more.³² Some organizations are proud enough to publicly showcase their engagement efforts as well. Take, for example, the Royal Bank of Scotland who found that in retail banking, a 10-percent increase in leadership effectiveness—as measured by a series of questions about direct and divisional managers—ripples into a 3-percent boost to customer satisfaction and a 1-percent reduction in turnover, which saves some \$40 million that would be needed to replace workers.³³

The U.S. General Services Administration organization, a 12,000-plus employee firm with a \$26-billion budget that oversees the business of the U.S. federal government, found through an internal study that “workgroups with higher levels of engagement had, on average, 23–26 more highly satisfied and loyal customers, which equated to more than \$1 million in revenue” than workgroups with low or slightly engaged employees.³⁴ Electronics retailer Best Buy, in concert with research partner Blessing White, reported in 2008 that stores where employee engagement increased by one-tenth of a point had sales increases of more than \$100,000 for the year.³⁵

There is ample data to suggest that an increase in employee engagement positively affects morale, satisfaction and retention, but

equally important is that business results (revenue, profit and customer satisfaction) seem to also increase.

But every coin has a flipside. The story continues to unfold.

WHY IS DISENGAGEMENT BAD?

Greg Smith used to work for Goldman Sachs.

His twelve-year career at the venerable global investment banking and securities firm culminated with Greg assuming the position of executive director and head of the equity derivatives business for Europe, the Middle East and Africa. On March 14, 2012, Greg left this prestigious post and organization for what can only be referred to as a case of the disengaged employee.

Greg believed, in short, that Goldman Sachs had lost its way with its employees and it was no longer a great place to work—after being a wonderful place to work for many years. The firm became fixated on profit, lost sight of putting the customer first, and in turn began treating employees like numbers instead of people. Leaders became draconian and disengaged employees were the products of their evil-doing. The CEO, Lloyd C. Blankfein, and president, Gary D. Cohn, were called out by Greg as leaders at Goldman Sachs who will be remembered as having “lost hold of the firm’s culture on their watch.”³⁶ No longer was Goldman Sachs an employee-first organization; it became a profit-first company and employees like Greg were bearing the brunt of this new leadership style.

Then one day Greg made a decision. Rather than continuing his employment with Goldman Sachs and what was his own level of personal disengagement, Greg decided to quit outright. But, in a demonstration of integrity, Greg wrote an op-ed column in *The New York Times* entitled, “Why I Am Leaving Goldman Sachs.” He powerfully articulated his level of frustration with leaders and the new culture at Goldman Sachs:

It might sound surprising to a skeptical public, but culture was always a vital part of Goldman Sachs’s success. It revolved around teamwork, integrity, a spirit of humility, and always doing right by our clients. The culture was the secret sauce that made this

place great and allowed us to earn our clients' trust for 143 years. It wasn't just about making money; this alone will not sustain a firm for so long. It had something to do with pride and belief in the organization. I am sad to say that I look around today and see virtually no trace of the culture that made me love working for this firm for many years. I no longer have the pride, or the belief.³⁷

Not a big deal, you might be saying to yourself. Sure, but what effect did this obviously disengaged employee have at the organization? Perhaps there were situations where Greg was knowingly sabotaging Goldman Sachs customers by decreeing how awful the company had become. We might never know what damage Greg's outpouring might have inflicted indirectly on Goldman Sachs customers or to his peers; however, what did occur once his op-ed column published in *The New York Times* was an astonishing \$2.15-billion loss of its market value. Goldman Sachs' shares dropped 3.4 percent after Greg's column was digested by traders, which was the third-largest decline in the eighty-one-company Standard & Poor's 500 Financials Index. If one disengaged employee can cause that type of damage, what do we make of the legions of disengaged or not-engaged employees that indirectly affect the bottom line on a daily basis?

Being an engaged employee seems to be a good thing for the organization, particularly if you are leading the show at Goldman Sachs. I suspect Blankfein and Cohn could have done without the negative and inquisitive press that ensued after Greg's diatribe. They also undoubtedly had to start an internal investigation of sorts to understand whether or not the accusations were in fact true. Regardless, the direct actions to address this rather disengaged employee had both direct and indirect financial costs at Goldman Sachs. How much of Blankfein and Cohn's time was spent on the matter when they could have been meeting with customers?

But what negative effect does a disengaged or not-engaged employee have outside of Greg's example?

According to Psychometrics, an employee who is not within the 30-percent-engaged bracket has 29 percent of his work relationships be coined as dysfunctional (that is, they can't work with others); 25 percent of employees in this bracket have lower productivity when compared to

their engaged colleagues; and 17 percent refuse to go beyond the job description. To me, that's a lot of people who couldn't care less about the organization, its customers and the bottom line.

AON Hewitt researched more than 7,000 organizations and found that each disengaged employee costs an organization an average of \$10,000 in profit annually.³⁸ Gallup counters with a statistic suggesting each disengaged employee equates to \$2,246 in operating costs.³⁹ In total, this alone costs U.S.-based organizations over \$300 billion in lost productivity, as well as \$64 billion in the United Kingdom, \$60 billion in France and roughly \$6 billion in Singapore.

The paradox of organizational disengagement and financial results is intriguing, if not alarming. Clay Shirky, a professor at New York University and a fellow at the Berkman Center for Internet and Society, writes in *Cognitive Surplus*, "how we treat one another matters, and not just in a 'it's nice to be nice' kind of way: our behavior contributes to an environment that encourages some opportunities and hinders others."⁴⁰ Could it be that the way in which leaders treat their employees might encourage or hinder financial impacts such as cost overruns, time gap to close new clients, call center service lag, or cycle time to complete a project?

Is there a Greg Smith lurking in your organization? Is the cotton-candy irony of fake happy employees about to turn your organization upside down?

THE ORGANIZATION VS. LIFE ITSELF

In his book *The Future of Work*, Tom Malone states, "As managers, we need to shift our thinking from command and control to coordinate and cultivate—the best way to gain power is sometimes to give it away."⁴¹ Gary Hamel, in his book *The Future of Management*, opines, "management and organizational innovation often lags far behind technological innovation. Right now, your company has twenty-first-century, Internet-enabled business processes, mid-20th-century management processes, all built atop nineteenth-century management principles. Without a transformation

in our management DNA, the power of the Web to transform the work of management will go unexploited.”⁴²

There is a causal relationship, a deep link between the way in which we are leading our organizations and how society is changing, be it for the good or for the bad. We need to recognize that yesterday’s way of leading needs to be improved but it cannot do so unless we look at leadership in a way that incorporates more open concepts, connected learning, social and collaborative technologies as well as the inclusion of people’s opinions and ideas. Today, many companies have leadership development programs. But, do those companies have an actual leadership philosophy that speaks to everyone in the organization? We need a philosophy that accommodates and even supports society’s shift towards “cultivate and coordinate” and away from “command and control.”

Are leadership development programs evolving to include a new attitude, new DNA, or new bedrock that starts first with the notion that everyone at the company is in fact a leader? The change starts with the principal tenet that we need to open our locked doors, tear down the cubicles and invite the entire organization to the table before making decisions or inventing the next new shiny object. Does it flatten the organization and create a more engaged culture or a happier place to work?

Hewitt Associates (subsequently becoming AON Hewitt) conducted the “Cost Reduction and Engagement Survey” in April 2009 with 518 U.S.-based companies. One interesting point resonated with me: “47% of companies surveyed reported a decline in employee trust as a result of the way in which companies have managed cost reductions.”⁴³

That data point is powerful. Almost half of the organizations indicated employee trust declined due to the cost-reduction measures put in place during the economic hardship that commenced in 2008. This is hardly surprising, as leaders continued to sublimely demonstrate increased command-and-control tactics in a time of crisis. But imagine if there was a leadership philosophy in place that allowed everyone to more fully understand what was happening, why, and ultimately being involved in the generation of ideas? Imagine asking your organization to

problem solve ways that would help the company as opposed to treating them simply as a number in the HR database?

Organizational silos occur from apathy, hierarchy, red tape and anachronistic methods of leadership. The decline in trust as per the study above effectively demonstrates the plight of the organization. I can't think of a single benefit when it comes to organizational silos, a lack of trust or a disengaged workforce. It is another example of how we are closing our minds, walling our innovation and foregoing a more productive and networked organization. As leaders, we should not be closing our minds and becoming territorial.

There was reason to Steve Jobs' madness when he forced designers, programmers and producers at Pixar to congregate in the central atrium of its sole building. His leadership mantra and framework forced collaboration, learning and connection between people that otherwise would never have connected. Jobs tore down the silos even if people didn't know it.⁴⁴

We erect fences in our leadership styles, shutting ourselves away from the imaginations of each other. We need to clearly articulate that a collaborative and engaged culture can and will instill openness, imagination, growth, and promotion of ideas and innovation. A reclamation process must begin. We must reclaim our generosity, our openness, our accessibility as individuals. The solution to fenced-in minds is to bring the fences down, united as an organization of unified and connected people.

If the C-Suite is looking for ROI, leaders need not prove it by return on investment, but by return on intelligence, by return on innovation and by return on ideas. The intelligence, innovation and ideas can be returned to the organization through an open culture, engaged workforce, greater profitability and happier customers.

Life is changing; it's time the organization does so as well.

WHY THIS BOOK? WHY "FLAT ARMY"?

Rather unfortunately, I can't locate the source of a quote that I have lived by for many years. My rally cry has always been the following:

We're not here to see through each other; we're here to see each other through.

For the most part, I think the 70 to 80 percent of people in the workplace not engaged or disengaged have a boss, a leadership team or colleagues who tend to see through others rather than seeing each other through. It's as simple as that.

Throughout my career, wherever I've worked and whenever possible, I've tried to employ the adage of being "here to see each other through." My career trajectory has thus far been an unnatural one—and I don't see it becoming dull either. After completing my undergraduate degree at McGill University (where I met my beloved, an educator), I spent the next three years as a high school teacher in northern Quebec and Vancouver, British Columbia. It was during this time that I learned the true definitions of disengagement and engagement.

Picture yourself in a teachers' staffroom where you've just returned from a three-day long weekend after the first week in October and twenty-plus teachers are firmly nested on various couches and chairs. It's a Tuesday at 8:15 a.m., school starts at 8:35 a.m., and you're busy preparing yourself for a day of classes with your young prodigies. A teacher blurts out, "Well, that's one long weekend down—we've got another one in November, two weeks off at Christmas, then it's March break. Easter right after that, two more long weekends . . . and the year is over. We might not as well teach anymore—we're done here."

A chorus of, "You're so right. The year is over," booms across the staffroom and this young teacher, age 24, wonders if apathy is the new black and whether collecting paychecks is truly what employment is really about.

Not all teachers were disengaged or not-engaged, but if I really thought about it, I'd argue no more than 20 percent of the teachers I worked with over those three years were actually engaged. Those who were engaged were true educators, going above and beyond the call of duty and creating learning environments for their students (and those students' parents) that were inspiring and motivating. To this day a handful of those professionals are still in my network, and a couple have become true friends.

My clients were of course the students, and the ecosystem of learning—coupled by technology, writing, innovation, creativity and openness—was something I passionately brought forward in everything I did. For example, after some cajoling with the principal, I not only set up two computer labs both equipped with the latest desktop publishing, graphic design and innovation software, let alone an ISDN Internet line into the school (remember, this is 1996), but I also convinced him that I could teach two new courses, Journalism and Desktop Publishing, and that through these courses the students would mingle, create and collaborate together to issue a monthly newspaper called *The Alphabet Soup*. My belief was learning shouldn't be boxed in and that true learning (and leadership) occurs when open collaboration is at the forefront. Setting up the construct of these classes and the environment itself and then getting out of the way to watch these 16- to 18-year-olds develop some amazing and creative school newspapers was a somewhat unknowing step onto my personal journey of openness, technology, collaboration and learning.

After realizing I had to escape the situation I was in, I ventured into the next career stop—higher education.

Pierre Trudeau once said, "The essential ingredient of politics is timing."⁴⁵ If we swapped the word politics for career development, it would help explain how this four-year stint commencing in 1998 began to crystallize my thinking about the ideal and quintessentially engaged organization.

As a 27-year-old, no less, I was handed the keys to a new venture, not even off the ground, that would assist career-changing adults enter the high-tech space as an IT professional, consultant, web developer, technical support representative, administrator and entrepreneur. As an entirely cost recovery venture (i.e., with no money from the government), the team and I set out to transform the way education was happening in higher education, albeit from the perspective of those already in possession of a degree or diploma looking to crack the dot-com world of the late 90s and early 2000s.

What was unique was the way in which we operated the actual education model. Rather than simply employing the spray-and-pray

archetype that has riddled our education ranks since the University of Bologna began credentialing students in 1088, we fused each program with real-world projects, business simulations, industry practicum, open leadership modeling and scenarios that induced both pressure and leadership in collaborative and engaging ways.

Sure, the students got knocked around emotionally and mentally. It was my belief that if we were to prepare these career changers for the nuttiness that was occurring inside of dot-com mania, we had better mimic as best as possible what was actually happening. There were tears, and loads of fear, but in the end those graduates are now located throughout the world as shining examples of holistic leaders: able to openly communicate, proactively engage with stakeholders before doing something, and blend technology and collaboration practices with people skills with an absolutely uncanny ability.

Maurice Li is one of those shining examples. He was able to take his previous degree and survive one of the intensive year-long programs we offered, and, since graduation, he has been an ultra-successful venture capitalist partner with Discovery Capital Management Corporation. Maurice took the time to write to me one day, offering a snapshot of my personal leadership style:

You've been the driving force since day one. Your passion for the program was evident every time you spoke, and at all times while performing the duties that your job required of you. During the good times, you saw to it that everyone stayed as happy as possible; and during the rough times, you alone kept things together in the program by virtue of your presence as a stabilizing force. I recognize and appreciate the contribution you have made to my life & career.⁴⁶

The students and the team we put together to operate these intensive world-class, game-changing experiences were highly engaged. Maurice was but one example of future Flat-Army-like leaders we were graduating. The rest of the academic organization, however, seemed to mimic what happens elsewhere; 70 to 80 percent of the academic and administrative staff were disengaged or not engaged.

By 2002, having spent seven years in both high school and higher-education environments, it was time to enter the corporate sector. It was, as they say in Triple-A-baseball language, time to join the show.

I've had the privilege of working with employees, partners, customers and executives for over a decade. My roles and ultimate responsibilities have centered on the fusion of open leadership, social and collaborative technologies, new learning models and engaging cultural practices that enhance the employee, partner and customer experience. I've always tried to emulate an experience that ensured all stakeholders would, as one of my former CEOs, Bernard Liataud, used to say, "drink our own champagne." That is, if you're going to be an open and collaborative leader, why not help everyone else do the same?

Within the high-tech and telecom verticals where I've lived since 2002, one thing is for certain: Peter Drucker was right when he allegedly said, "culture eats strategy for breakfast." I've been through more acquisitions than I cared to be and whether we were acquiring companies or were being acquired, it's the culture of both organizations that decides whether things proceed smoothly or not. If the cultures are ones where leaders are there to "see through everyone," failure is bound to occur at some point. If, however, the cultures involve those same people being there to "see each other through" the situation, success is ensured from the moment the acquisition press release is dropped.

Since 2003, I have held the position of head of learning and collaboration at TELUS; a 40,000-employee, \$10-billion-plus company unleashing the power of the Internet to Canadians from coast to coast. The TELUS CEO, Darren Entwistle, took the time one day in 2012 to pen a personal letter to me thanking me for various deliverables, including the launch of an enterprise-wide leadership framework for all TELUS team members:

The introduction of the TELUS Leadership Philosophy in 2010 created an important shift to a culture that embraces leadership development of all team members through social, informal and formal learning. This philosophy has become the cornerstone of our new leadership culture at TELUS and recognises that everyone has an important voice in our business, which is reflected in our Customers First culture.⁴⁷

We're not here to see through each other; we're here to see each other through. Both of us.

Sadly, I have directly and indirectly seen the dark side of organizations, and quite frankly, it isn't pleasant. When the number of disengaged or not-engaged grows in an organization or team, it's easier to watch reruns of *American Idol*, and we all know how painful that can be. Conversely, when leaders ignore the rank and file, become dramatically hierarchical, or, worse, act in a nuclear micro-management mode, the team and organization, or both, are one step removed from poking themselves in the eye with an ice pick.

Yes, it sounds overly dramatic, but rest assured I've been a part of an amazing run over the past ten years and it's this positive experience that is the point of the next chapters.

Since you have made it this far into the book, you might also be asking yourself, "What's with all the engagement talk, Dan?"

Fair enough.

For me, a disengaged or not-engaged employee is toxic, but I'd bet my last dollar that it has 95 percent to do with the leadership practices of the organization where they work. Those are the type of leaders who are seeing through their people. In a nutshell, it's not good.

On the other hand, an engaged employee—one who demonstrates reciprocal trust, who feels connected and a part of the solution and who will put in that extra effort—is being helped through any given situation by his or her leader. That employee is engaged because the leader demonstrates and practices behaviors that ensure a democratic and connected working environment.

* * *

Flat Army focuses on five key tenets:

- **Connection:** The behaviors, actions and tactics to become an engaging leader
- **Collaboration:** The behavioral method in which leaders and employees should be operating

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- **Participation:** The act of continuously building your network and distribution of knowledge
- **Learning:** The recognition that learning is continuous, community driven, and everywhere
- **Technology:** The tools and processes that cultivate both an engaged and connected organization

The journey through this book defines frameworks, tools, processes and behaviors that help leaders cross the chasm of a closed or hierarchical style to one that is certainly more open, connected, clear and empowering. It is not a book with rapid-fire examples from across the world, rather, it contains more in-depth scenarios—from business leaders, companies, and even history, geography, math and science situations—interspersed with unique analogies, metaphors and existing research to help explain and depict Flat Army concepts. I was once struck by the foreword in Jim Kouzes and Barry Posner’s seminal book, *The Leadership Challenge*, where Tom Peters wrote, “*The Leadership Challenge* has lasted, I believe, because (1) it is research-based, (2) it is practical, and (3) it has heart.”⁴⁸ I’m continually guided by Tom’s observation and my hope is *Flat Army* measures up to that yardstick. There are several thousand awful leadership books out there and I didn’t want this one falling into that camp. I’d love to know if you agree or not once you finish the book.

Many leaders are operating somewhere between cynical and skeptical. Doubt leads to dysfunction. Dysfunction leads to organizational apathy. There has to be a better way. This book intends to bring forward these concepts; it’s time to unite the boats and thus the flotilla. It’s time for Flat Army.