PART I

# Why the Workplace Stopped Working

CHAPTER 1

# Are You Ready to Sail the North Atlantic?

*History becomes an astonishing succession of new media toppling old empires by repatterning perceptions of time and space.*
                                            —Michael Schrage, *No More Teams*[1]

On December 17, 2010, Mohamed Bouazizi, a Tunisian merchant, set himself on fire on the street where he once sold his goods. But this was not simply a personal tragedy or isolated political statement, mourned by a small circle of family, friends, or followers. Bouazizi's act was the spark that ignited a massive protest, the "Arab Spring," because social media had changed the rules.[2] In this case, the elements for social change included a spark (a dramatic suicide), a leveling catalyst (social media), a stage (the public square), and a unifying vision (the overthrow of oppression). Institutional leaders everywhere were put on notice that their constituents had a new voice and new power.

We are witnesses to an astonishing succession of crumbling empires. Social media has changed the way we can and do organize for action. It has removed traditional barriers to participation and makes it almost effortless to connect, rally, and act. Social media also connects once fragmented and faint voices into a unified chorus that has the power to topple institutions.

Until a few years ago institutional acts of injustice (or idiocy) happened behind a curtain, and therefore without serious consequence. Those trying to right a wrong, or make any kind of statement, had to overcome great hurdles of recruiting and coordination. That is changing fast.

## A New Era of Engagement

Three years after Bouazizi's protest, four governments had been overthrown and another six had confronted major uprisings.[3] The Arab Spring and the many succeeding protests signaled a dramatic shift. Institutional power is no match for the politics of engagement and the tools of social media. This organizing efficiency and speed have placed new power in the hands of constituents, customers, and employees. Social media creates the context for a new era of social engagement. That brings a new social framework, new politics, and a new leadership with engagement at its core. Any leader who doesn't understand this profound shift and its ripple effect may have to reverse decisions, resign under pressure, or see a mob of angry people at the front door. Think of the recent series of political and corporate leaders who have had to resign because they didn't understand this new phenomenon.

The ability to easily organize and make a difference has spawned a revolution within the workplace, too. It is transforming collective enterprise with the same revolutionary power that Henry Ford's innovations brought to mass production. Here is a big difference about this new era of engagement: Organizing collective enterprises no longer requires capital, management resources, or rigid hierarchies to launch and coordinate. It does require tapping into a common cause, operating transparently, providing people a voice, and allowing them to participate and add value.

The new technologies of collaboration, with their global scale and speed of communication, bring unpredictable reactions, innovations, competitive threats, and new markets of opportunities. But the social or institutional framework that will predictably harness,

regulate, or provide a moral ethos around these new capabilities is still being formed. That's why the outcomes are not always positive. In fact, right now, outcomes are not even the point. The Arab Spring is a great example; it was highly engaged in ridding the system of what was hated, but lacked a common vision of a better future. There was no cohesion or common engagement. The questions of why and to what end were missing.

Many of the norms and values from the industrial era, and the behaviors then allowed, are now out of sync with these new capabilities. The new collaborative technologies have a built-in ethos that is social and engaging. The old structures of command and control are hostile to anything social and engaging. The collisions between the two forces have a disrupting effect on organizational structures but a liberating power for those willing to embrace them.

## "Oh, My God!"

Case4Space is a committed group of thought leaders who came together because we saw some outrageous realities:

- More than 70 percent of the workforce either hates their job or are just going through the motions.
- Half of all office space is wasted.
- The number of people who suffer chronic disorders—caused or exacerbated by the workplace—is alarming, scandalous, and exorbitantly expensive.

When our research connected these dots, we uttered a collective visceral groan—"Oh, my God!" That OMG moment rapidly went from "No way" to "No wonder." Could a small group of leaders really change a stagnant and stuck conversation about the possibilities of an engaging workplace? We knew enough about the new technologies of engagement to see that the flow of history was rapidly moving in our direction.

We used the social media tools of revolution to coordinate Case4Space. They afforded us great power for expanding our reach while lowering the cost and time commitments for busy and diverse leaders spread across the country. Our mission was simple: Topple institutionalized disengagement and, thereby, liberate people to discover their best ways to work. We were also learning these new ways to work and challenge ourselves. We will get into more detail about this later in the book.

Real and deep engagement is crucial to the success of any enterprise; companies must have it. However, their environments, on the whole, are not social and engaging. Ask one question: Would a Millennial (anyone born between 1980 and 2000) look forward to working here? Companies that have made the shift to an agile and collaborative environment shared common stories with us of people who had worked in the same office and on the same floor for years and yet had never met. One manager told us that a month after working in the new space, she thought the office staff had gotten 20 years younger. She hadn't noticed before because executives were segregated on a different floor and only those invited went there.

The walls are coming down.

Try this exercise. Take a group of people into a large, open room with tackable wall surfaces or whiteboards. Give them large sheets of paper, sticky notes, markers, and tape. Ask them to create a concept for a work environment (don't say "office") using the following words: *high-energy, collaborative, healthy, productive, engaging, innovative, interactive, high-tech,* and *regenerating.* Then ask them to create a poster to describe what the experience is like in that environment. Ask: "Does this look or sound like your office? If not, you are not alone." Executives want these qualities in the workplace but are stuck in a very old view of what an office should look like. This book explores the negative effects of that view in Chapter 2 and then where that paradigm came from in Chapter 3.

We could have called this book *The Leadership of Engagement* because that is what we've seen happen to leaders who have

changed their space to reflect the new realities of work. Trust me: That kind of change is much deeper and more transforming than creating a few conference rooms, improving the technology, and adding a Starbucks. However, that is exactly the kind of superficial response that is currently blanketing office buildings across the country.

It is easy to miss the truth. A street merchant's dramatic protest was at first merely the tip of an iceberg. Employee disengagement is also below the surface. Although the water has not risen to the executive floor, the iceberg has already pierced the hull of the company's vitality. The leadership of engagement begins by reconnecting to the physicality and the people of a company, not simply its spreadsheet. It all begins in the workplace.

The hierarchy and vertical thinking that enabled Henry Ford to transform business in his time inevitably became inefficient and dysfunctional in ours. Ford Motor Company's structure and thinking had to crumble in the context of speed, scale, interconnectedness, and complexity. But that kind of thinking and those archaic structures are still enshrined in many of our offices.

We found a common tool, hidden in plain sight—the workplace. Any company could use that space to release engagement throughout the company—and that would bring a new kind of leadership for meeting the new challenges.

This new media landscape has created conditions that every leader can navigate. It is summed up in the acronym VUCA: Volatile, Unpredictable, Complex, and Ambiguous.[4] For this reason, 1,600 CEOs of global companies list innovation as their top priority.[5] Innovation is not just nice to have as a corporate capability; it is vital to keep up and get ahead in a world in constant flux.

Change as the new constant is not a new thought. It surfaced in the late 1960s and then hit the best seller's list with Alvin Toffler's book *Future Shock* in 1970. But the whole idea took on new power for me when I was given a very compelling lesson in shipbuilding.

## Is Your Ship Ready to Navigate the North Atlantic?

A few years ago, I spent several hours with a director of design and construction for one of the largest oil companies in the world. What he told me about building oil tankers completely challenged my paradigms of how to build an organization to operate in an era of turbulent change.

Building an oil tanker is, as you might suspect, a daunting and monumental task. Each tanker is designed according to its purpose and operating environment. North Atlantic tankers work in the most treacherous environment on earth. Remember the *Titanic*? Fifty-seven other ships have met similar ends.[6] I learned that oil tankers designed for the North Atlantic have to be able to withstand a direct hit from an iceberg at 7 knots. They have to be able to locate and attach to a floating mooring in the middle of a turbulent sea. Without dropping anchor, they must maintain a relatively stable position while being slammed by 50-foot waves so that their large hose does not get ripped from the mooring and start dumping oil into the sea.

North Atlantic oil tankers rely on satellite tracking systems to hold their position. They have tremendous stabilizers that keep them positioned, even with mountainous waves crashing over their sides. Multiple redundant systems act as safeguards and backups. These ships are one-third the size of a regular tanker but cost three times as much to build.

That image and story should speak to leaders and managers who are trying to lead organizations in hostile and turbulent environments. Most companies are still designed for the more placid and predictable waters. They are built for steadiness and consistency, not rapid change and agile maneuvering.

Today many businesses designed for the stable and certain times of, say, the 1950s, are trying to move a little faster, equipped only with a little more relevance and a dynamic vision statement. But they are still operating in environments for which they were not

designed. We must now learn—and quickly—to build seaworthy vessels that can handle external turbulence with a cultural agility in conditions as challenging as the North Sea is to oil tankers.

What are the criteria for designing and building an organization that can handle the dangers of the "North Sea"? What would a workplace look like that not only facilitates but accelerates change? Let me tell you about one.

## The Great Flood

The damage was great and extensive. As I walked through the lobby, plastic drop cloths divided workable areas from those too damaged for operation. I was disappointed at first. I had heard of the beauty of the new CBRE headquarters, that it was a showcase for their advanced workplace strategies. I was there to see, hear, and learn. Lew Horne, president of CBRE, Greater Los Angeles–Orange County, walked down the lobby stairs and apologized for the mess. He explained, "Four days ago a sprinkler pipe burst in testing and flooded several floors. It damaged 50 percent of the office."

Then I learned that the great flood did the damage on a Thursday night, but by Monday they were fully operational. I was there on Tuesday. I walked through the space with Lew, pushing around tarps hanging from the ceiling and walking around makeshift furniture configurations. The office was not only fully operational, but the people also showed no indications of having just been broadsided by an iceberg. They were buoyant and energized.

Lew told me that none of their files were lost. They had been scanned before the move and were stored in the cloud. Everyone now worked from a laptop. CBRE's new mobile and free address work strategy allowed their operations group to find temporary space for half of the office. Those who were assigned to the temporary space were notified over the weekend and came to work without any interruptions. The damage was in the millions of dollars, but a small group worked around the clock to get things under control. This flood justified the new workplace strategy, but

more importantly showed what adaptability and resilience actually look like. Lew had not realized that the desire to create greater collaboration and their new, cool, free address environment would also become a key part of their business resilience. It is one thing to have contingency plans. It is quite another to design contingency into the infrastructure of the organization and into its culture.

## Welcome to the North Sea

The challenges business leaders face today are more like the North Sea than the previous era of predictable oceans and friendly ports of call. This book has a simple mission: to enable leaders to build vessels that will navigate change and discover new worlds of potential. The new vessels have to begin by reengaging the crew. They must also deal with complexity, resilience, innovation, and change.

The most challenging piece will be to change the culture. Old habits die hard and organizations—by definition—are designed to remain organized! They don't like chaos. But we now operate in chaotic times and environments. We may love the Caribbean, but we are caught in the North Atlantic. This is the reality for the rest of our lives. So, the only questions are: Will we sink and die, or will we reengineer our vessels for our new environment?

## Change Your Culture

Assuming that you answered that you have chosen to survive in your new waters, you must change the culture of your company. Peter Drucker said, "Culture eats strategy for breakfast!" Edgar Schein, MIT professor and organizational scholar, wrote that culture is "a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way you perceive, think, and feel in relation to those problems."[7]

People in all companies and social groups live inside a set of "shared basic assumptions." Every company (or school, town, neighborhood, church, sports team, etc.) is characterized by a distinct culture. It can be clearly seen in the spaces that facilitate life and work, like homes, places of worship, stadiums, offices, parks, restaurants, and stores. Because of external challenges (like icebergs), every culture has to engage and adapt. Static cultures cannot handle new ideas or problems.

We at Case4Space have learned that when you change space, you change culture. The leaders we interviewed verified that. Old habits get disrupted, and old dogs actually learn to appreciate new tricks. But there is something more basic going on. The thinking required to create an engaging environment leads to an engaging process. The workplace becomes the catalyst, the stage, and the enhancer for new values to emerge and grow.

This book will walk you through each of these challenges using stories from those who have made this journey. The great flood is just one story, but it shows how the leadership of engagement prepared the CBRE office. The transformation they experienced was more than just a radical office makeover. The office also embodied the depth of thought about the different values and behaviors they would need for the future:

- Have they been able to improve engagement?
- Have they conquered complexity?
- Have they risen with resiliency?
- Have they reinvented themselves?
- Are they prepared for change?

It certainly looked to me as if CBRE could answer yes, based on stories from those who made that journey. The flood revealed the depth and breadth of their transformation.