

work 2.0

BUILDING THE FUTURE,
ONE EMPLOYEE AT A TIME

bill jensen author of SIMPLICITY

work 2.0



rewriting the contract

bill jensen

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section

1.



The (Asset) Revolution Begins

Leaders and Managers

What this means to you

Governments...deriv[e] their just powers
from the consent of the governed.

Thomas Jefferson et al.

Labor is...the means of production.

Karl Marx



T **INNOVATE OR FACE DEFEAT** *he choice is yours.*

You can keep struggling with all the gyrations in the war for talent — engaging in new skirmishes with each defection or round of layoffs that forces you to lose momentum. Or you can change the rules.

More than ever, the new rules of engagement are being set by the people you want to hire and keep. Not with “pay me this” or “cover such-and-such benefit.” But by pressing completely new levels of sophistication and insights on how work gets done.

There is a great and grave difference between employee satisfaction and satisfying employees’ workneeds. The new contract and this book are about that difference.

We will not spend much time on compensation, benefits, flextime, making nice to your employees, and the like. All the usual workplace satisfaction criteria — these, and any others you could list — remain as critical as ever. But they are not where the *new* war for talent will be fought. The people you most want to hire and keep are changing the rules of productivity. How good are you at *not* wasting an individual’s precious assets as he or she presses to be more efficient and effective?

It’s time for the creative destruction of your current approach and a new relationship with the people you wish to lead.

Especially after the economy plummeted in 2001, many of you are too focused on the idea that management, with the economy as enforcer, is in control over who stays and who leaves your company. This book's message: Rip up your beliefs and practices before somebody else does — because it's gonna happen anyway.

Who will shatter those beliefs? The people who are about to walk out your door. And those you're about to hire. That's who.

Here they come....

The Emperor's New Clock

In September 2000, I discovered a rip in the conventional work contract. Six months into an economic downturn, which supposedly forced all employees to do a lot more genuflecting and ring-kissing, an interesting shift in the relationship between employer and employee became clear.

It was during one of those senior executive junkets. You know the kind: exclusive attendance (a "CEO Summit"), great location (chi-chi retreat in California's wine country), great playtime (one-on-one lessons from a world-renowned croquet champion while sipping some of the best wines in the world), and a few outsiders (ahem) to help the attendees look at their navels and think big, important thoughts.

In addition to talking about simplicity and the creation of simpler companies, I presented a few pages from what would become this book. "There are four trends that are very important to your future," I cautioned. But, because I was still making sense of these trends, I left lots of wiggle room as to how and when: "They may change how you lead sometime within the next five years or so."

The first people to come up to me after the presentation were the CEO and executive vice president from a firm in the field of life science. (They've asked to remain nameless. You'll see why in a moment.) The CEO said, "I've gotta tell ya, you were wrong about something."

My heart sank...until he finished his thought. "One of those

trends — leadership being accountable for wasting people’s time, or using it wisely — is dead-on. What’s off is your timing. Leadership accountability is not five or more years in the future, it’s now. We just parted company with our president for this reason.”

He continued, “The people we’ve hired won’t tolerate anyone or anything that wastes their time. Because the president didn’t get that, we were about to lose some very talented employees — like our director of marketing. That loss would’ve been bigger than losing a president. So the president is gone.”

Whoa.

Could this occur at your company? Is it just an isolated blip that happened to some poor schmuck-of-a-leader, or could it happen to you?

Admittedly, in both booming and tough times, this type of employee brinkmanship is rare. Yet...see it for what it is: a warning shot across leadership’s bow. The signs are there, and they are screaming, “Pay attention! Listen. Learn. Change.”

The Making of the New Contract

Your workforce knows that they have to be more productive, more efficient, and deliver morebetterfaster every day. That’s not news. What is different is that they are pushing back — seeking new proof, information, commitments, and measurable standards about *how* that’s going to happen. These are the first acts of an emerging new contract.

Even if your company is currently ranked as a great place to work, watch out. Today’s economy — boom, bust, or somewhere in between — is still a knowledge economy. As such, labor is realizing that they own the means to your production. They’re figuring out that you derive the power to get stuff done through their consent. You don’t empower them. They empower you, and your company, your plans, your strategies.

Your key talent are demanding proof that you value their resources — appreciating that their time, attention, current skills, energy, and all the social connections they leverage in the

name of business results are precious and limited. They also want proof that their unlimited resources — ideas, knowledge, future skills, and passion — will be put to immediate use and will make a real difference. Unlike anything you’ve seen before, the terms of this contract are about personal effectiveness, not entitlement.

The good news is that as you get better at leveraging your employees’ working capital, everybody wins. Increased individual productivity affects team effectiveness, efficiency, creativity, and organizational alignment. That affects company innovation, and productivity, and truly connects your people and your customers.

More on that later. Let’s come back to the forces that sank our poor ex-president.

Where did this new contract come from? Is the previous chapter just some whining manifesto tacked to the wall, bellowing at you to “get a clue”? No.

Is the new covenant between employer and employee just about more compensation, stock options, benefits, day-care centers, or foosball tables in the lounge? Is it solely the domain of dot-coms, the under-25 crowd, or a blow-your-socks-off bull economy? No, nope, and definitely not.

When I look back over more than a decade of research, studying how almost a thousand companies design work, I find a new level of sophistication among the workforce.

Yes, they still crave to be in a great place to work. That means they still want you to create a culture of participation, demonstrating great teamwork and flexibility. Yes, they still want you to have learning and development strategies, coaching, mentoring, and great communication in place to support and develop people. And, yes, they still want to be on a winning team that’s achieving great results.

But they’re also being more particular, deliberate, and discerning in their search for greater work value. They want to know what value you add as a middleman between them and their customers, between them and their tasks. For example:

Are your tools, processes, and information flows user-centered? (Extremely valuable.) Or are they designed to make it easier for you to manage your employees? (Of dubious value to them.)

Having read the new contract, you know that focusing on work value is all about delivering better results to the customer and company.

But, in times of wrenching change, knowledge workers need more control over how they have an impact, more control over their *personal* productivity. During tough economic times, even more so. Your employees are acutely aware that their future is on the line every day. They'll deliver the results. But they also want greater control over their own destiny.

WIIFM?

(What's In It for Me?)

You *bought* this book as a businessperson. You wanted to learn more about the war for talent, the new contract, simpler workdays, corporate survival, whatever.

I hope you *read it* as a person.

As a businessperson, you know you've got to rely increasingly on the people around you. Everything's changing so fast and with such intensity that if you are going to succeed, you've got to find better ways to unleash the potential of everyone in your organization. That's the goal of the new contract: taking your workplace to a new level...to Work 2.0.

But as a person, like the refrigerator-door wisdom says, you're not gonna lie on your deathbed wishing you had spent more time at work. You want to leave behind something that really mattered. Not just business results.

If you're like most leaders, at the core of what matters are your personal passions, vision, and values. Hopefully, one of those values is an unshakeable and unquestionable respect for others. That's where you and this book intersect.

Work 2.0 places before you a simple self-assessment question: "As a leader, am I changing enough to demonstrate that I respect and trust the people around me?"

The question may be simple: Are you keeping up with the rate of change? The answers are not.

What leaders must do to demonstrate deep respect and trust for people is ramping up daily. It's no longer just during facetime or while being sensitive to "soft" issues.

Proof of respect now includes, among other things, your ability to build user-centered infrastructures and deliver just-in-time, on-demand information to frontline decision makers. Proof of trust now includes the willingness to have your views challenged and changed from the bottom up, because many people closest to the work know more about efficiency and productivity than you do.

The workforce has watched how you focus on returns on investment. They are doing the same thing. From this point forward, R-E-S-P-E-C-T includes better use of the assets the workforce brings with them. They want less wasted time, energy, and talent. And better returns on those assets.

That's gonna take more than making sure people feel appreciated and telling them that the work they do is important. You need to change your plans, focus, and priorities fast enough so that the infrastructures you build, the hierarchies you establish, the tools you create — everything that they use to get work done — demonstrate that you respect their time, attention, and energy.

Whew! Living up to refrigerator-door ideals just got a whole lot tougher and more complicated! Suddenly, "Am I changing enough?" takes on a whole new, chilling aura.

Work 2.0 is for leaders who believe that even under these new conditions, demonstrating respect and trust in others will always bring greater personal and business rewards.

Your WIIFM: This book is a tool for figuring out new ways to interweave your personal values with doing what it takes to succeed. You'll encounter guiding principles, getting-started tips, and stories from those who have begun their Work 2.0 journey.

Whether you change enough to live those values is up to you.

The Four Horsemen of the Coming Creative Destruction

Why we're going to have to change how we work. During the coming decade, every company that is heavily dependent upon knowledge or service workers for growth and productivity will have to reinvent how it attracts and retains those people. The new great places to work will anticipate four forces of change coming their way and get ahead of them.

These forces will create ever-increasing accountabilities for you and your company:

1. Asset Revolution

New ways of thinking; a wake-up call for leaders

2. My Work My Way

New accountabilities for personal productivity

3. Peer-to-Peer Value

New accountabilities for teamwork and collaboration

4. Extreme Leadership

New accountabilities if you are to live your personal values

If you don't reinvent your current ways of doing things, your employees and the economy will do it for you. These forces will drive you much closer to frontline work than you've been in years.

1

Work 2.0 Is an Asset Revolution

If there's anyone who knows about focusing on the work, it's Janine Bay. She's director of vehicle customization at Ford Motor Company. Even today, female engineers are rare in the auto industry. Janine was blowing the doors off the

competition as the chief engineer on the Ford Mustang during the mid-seventies, when quality really was Job One.

“I’m old,” she says with a bit of self-deprecating humor. “After 25 years, the golden handcuffs are clamped solidly on me. But the people I mentor have a very different approach to life.”

She continues, “I just talked last week to a young man who said, ‘Janine, I appreciate all your help, but I don’t think I can do it anymore. I’m outta here.’ He’s a Ph.D. He’s 27.

“And even in a tough economy, he can pretty much go anywhere, anytime. He said to me, ‘I’m not here because of the money. Quite frankly, I’ve been offered a lot more money than I get here.’ He said what matters to him most is whether his work is making a difference, his own pride in the quality of that work, whether he is appreciated, and how quickly he can take himself to new levels.

“I can understand where he’s coming from,” says Bay. “Way back when, I was one of the rebels in the company who decided that I really needed to diversify my portfolio of experiences if I ever was going to get anywhere. Which, in the early to mid-eighties, was a very controversial approach to career management. Now I’m seeing a lot more willingness to cut and run if that portfolio isn’t top priority for management. And not just a spoken priority; leaders have to be super fast in whatever we do to help build that personal portfolio.”

Tables get turned. Your incessant push for short-term business results has made a lasting impression. Let’s be honest. Your expectations are never in the distant future. You expect quarterly, monthly, weekly, daily, and in some cases, hourly results.

Ironically, the killer employees who are most responsive to that pressure now have the same short-term expectations of their investments in you. *Quid pro quo, babe.*

You leverage assets to get stuff done. So do they. On your books, you can depreciate assets. Each day, your employees are realizing that they are being forced to depreciate hours and knowledge wasted within your organization. They want fewer

write-offs and more, better, faster returns on what they bring to the party.

As you continue to cut costs and people, the ones who are left are beginning to figure out that you just redefined “working capital.” You’re now including, and counting on, the assets they bring to you.

Some of the questions you’ll face in the coming war for talent:

- “How much of my time is spent doing great work?”
- “Show me how you put teams together. How good are you at community-building?”
- “Is my manager smarter, better, faster than I am? Does he or she have the skills to help me be my best? And have *my* needs in mind, not just the company’s? If not, find me one who does. Now.”
- “Show me how your company is respectful of my time. And I don’t mean sending me home at five, or generous vacations. Show me how your systems and structures are designed for my use, not just yours.”
- “Do you do usability testing on the information flows and tools you build for me? If not, why not?”
- “How much and how fast can I learn in this environment?”
- “Will I get to work on what I’m passionate about?”
- “How nice that you communicate so much. Now: Can I get the exact information I need, how I need it, when I need it, and without you living in spin?”

In their own words. Tiffanie Lopatin is a professional poacher. As executive talent recruiter at Bank of America, she’s on the prowl for your best talent. She reports, “I go after passive job seekers. They’re not looking. I seek them out, usually outside of our industry. During 2001, I saw a dramatic rise in pushbacks and qualifiers from people who did decide to join us. They really asserted themselves. I’ve heard things like, ‘I’m a virtual worker,

I can be global, why do I have to move where you want me to go?””

Typical of the asset revolution is this exchange relayed by Lopatin....

“I surfaced one woman who was such solid A-talent, I felt we just had to find a place for her. She came in for an exploratory interview. Boy, did she push back! She asked detailed questions about her potential job, who communicates with whom, how different departments relate, and who shared

The Hairball from Hell

Are you choking on the new contract’s use of “working capital”? If so, the idea is doing its job. It got your attention.

Well-intentioned academics and consultants coined terms that would not trouble you. Like “human capital” for people and their skills. “Intellectual capital” for what they know and share. And “social capital” for how and why they work together.

Sure, these are very important ideas. But they’re so...*sanitary*...and they promote an illusion that this capital is yours to manage.

Anyone who sweats on a loading dock, pulls an all-nighter writing computer code, holds the hand of a sick patient, or trains salespeople will gladly shatter this illusion for you.

New view of working capital: Workers choose how to invest their assets — time, attention, energy, etc. — to get stuff done. Academic frameworks can no longer hide the fact that these are assets you covet, yet employees choose how, when, and if to invest them. The more you cut costs, the more you’re using their assets as capital to meet your current obligations.

That may not jibe with how your CFO defines working capital. Doesn’t matter. As University of Kentucky chancellor Otis Singletary said: “Whatever people think, is.”

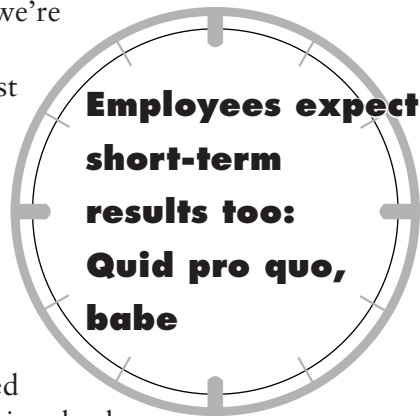
Making the mental leap and grappling with this new definition are important. The leap will bring you closer to what the 21st-century war for talent is all about.

what information. And after that first day, three different hiring managers were interested in her.

“By the time I called her with the news, she had pulled out. She said, ‘You’re a great company. You care more about customer needs than most firms I’ve met. I wish I could work for you. But these positions are only going to utilize skills I’ve already got. They’re not going to help me grow at the rate I need to grow.’

“The story has a happy ending, though, because we created a bigger position for her. I’m very proud of the bank for coming up with a win/win solution. But we’re going to have to keep coming up with tailored solutions! In the past year, every A-level offer has consistently involved customizing the position or the work itself.”

Here’s a sampling of other people who think and act the same way, in organizations like yours. (By the way, each of these individuals has been fast-tracked within their companies. They are involved in leadership development activities, and — solely for short-term economic reasons — are temporarily hanging in there with their current employers.)

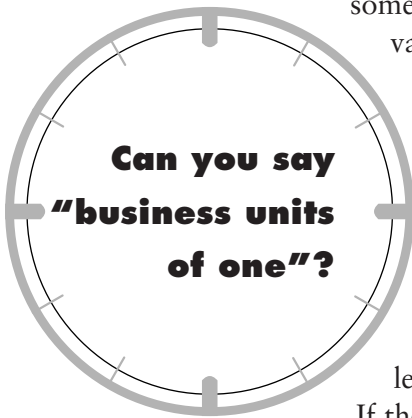


- From a middle manager in one of the world’s largest energy companies, who momentarily lost it, expressing what many top performers are feeling:

“I walk into this IT meeting. They were having some argument about Net Meeting [an online collaboration tool] — how they couldn’t get it to work. I stood up and said, ‘What is wrong with you people? My family has run Net Meeting out of our garage for a year. We don’t have the resources that [this company] has, nor do we have a gigantic IT department to help us do it. What’s your problem?!’”

- From a talented MBA who is building tomorrow's Internet and has job-hopped through her still-young career:
"More and more truly gifted people around me are being turned off. This little flame ignites in each of my teammates, and then something happens in the company that smashes it, totally. High performers have a very low tolerance level for that kind of crap. Once or twice...well, that's just part of life. More than a few times...we're outta there. Life's too short."

- From a mid-manager at a telecommunications company — someone who fully understands the value of her own working capital and what's happening to her industry:



"I am struck by how little value corporations place on our time. I focus on three things when I evaluate how my time gets spent: (1) How much impact am I having? (2) Am I constantly learning? (3) Is my work interesting?"

If the answers are not extremely positive, it's costing me way too much to work here."

Welcome to the Asset Revolution. Be honest: You want to tap into the marrow of your talent's humanity. You want to leverage their ability to imagine, create, judge, and build relationships. OK — they're up for it. But what do they get in return?

The next level in the war for talent is an asset revolution. This includes how leadership creates daily/weekly/monthly/quarterly returns for the people you employ.

Get ready to talk about a different kind of ROI. If it's true that the best approach is to hire for attitude and train for skill, prepare yourself for an investor's attitude.

The expectations are real. They are not going away.



Work 2.0 Is My Work My Way

The future of work is personalized and tailored. Can you say, “business units of one”? Disruption is coming like you’ve never seen before.

Sound like too much loss of control? Get over it.

Sound too complicated and like too much work for you? Welcome to the real world of work. Life’s tough. Get a helmet.

Does My Work My Way sound anti-team to you? Great teams and totally collaborative environments require each individual to bring more to the party, and change more than ever before. This increased personalization is what’s required if you expect employees to commit to enhanced preparation and self-improvement, carrying one’s own weight, and contributing as much to the team as possible.

The very nature of knowledge work — interconnected out the wazoo, increasingly complex, with volume and velocity of choices, information, partners, and challenges all on steroids — is leaping past *anyone’s* ability to build teams, align visions, or create best practices fast enough. One of the punchlines from my previous book, *Simplicity*, is even more true today: Work complexity is *the* productivity issue for the coming decade.

Tom Petzinger, author of *The New Pioneers*, who has spent years studying and reporting on frontline heroics, had this to say in *Simplicity*: “The obstacle is not the ability or willingness of people to engage as fully committed knowledge workers. To seek, think, and create are human traits. The challenge is how management chooses to focus people’s time and energy.”

Most companies are still in the Neanderthal Age when it comes to their ability to truly help individuals work smart enough, fast enough. The research behind *Simplicity* found that few organizations have figured out how to focus people’s time and energy by getting employees what they need to get the work done. All the great collaboration and teamwork we crave

also hides a dirty little management secret: Most companies are not delivering tools, information, and support in ways that individuals find useful, and they're relying on teams to make up for this shortcoming.

The new frontier. “Five years from now, we will have failed as leaders if we have not addressed these issues!” says an impassioned Michael Volkema, CEO of furniture-maker Herman Miller. “There must be a new level of commitment and sophistication around meeting each individual’s needs.”

Volkema has an interesting leadership challenge. His predecessor, Max DePree, son of the founder of Herman Miller, wrote the book (quite literally) on leading in completely new ways. While Volkema is proud that Herman Miller has been ranked among “America’s Most Admired Companies” 15 of the first 16 times those kudos were awarded, and 5th among the “100 Best Corporate Citizens” in America, he sees the need to take the company to the next level.

“People who are much more scholarly than I,” Volkema says humbly, “are connecting the dots between these trends: We’re facing 10 to 15 years of skilled labor shortages, globally. There are underlying disruptive sets of technologies entering our lives, at ever-increasing rates. And, across all industries, new knowledge workers will not be frustrated by lack of opportunity, but by having too many opportunities.

“Our research and design teams are heavily involved in rethinking the very nature of work. We’re on the threshold of a networked economy where we must add much more value to people who are trying to connect with each other and with new information.” Volkema concludes: “Greater ability to leverage one’s own team and community is critical, obvious, and gets all the press. The new frontier is enhancing individual freedom and control over their work. The challenge for many companies will be in how to do that while delivering the necessary business results.”

The coming changes. Here is a small sampling of My Work My Way developments (My-Way, for short) *already* underway in companies like yours. There are case studies and stories about changes like these throughout this book:

- Cafeteria-based compensation plans are coming. The employer offers a mix base, bonus, and equity. Within given parameters, employees pick the percentages of each that best meet their personal or family needs
- Employees are pushing back on the design of enterprise portals, the entryway to a company's databases and intranet. (There's still too little control over what information they get and how they get it)
- Daily meeting agendas are being designed based on the needs of employees
- Employees are signing written agreements that specify how virtual they can be so they can take control of their worklife
- Mini "drop-in centers" are being built in highly congested regions. Goal: Commute less and drop in for high-speed social and network connections
- Herman Miller is even looking into individual climate control! Hot, cold, and just right is coming to cubeville

In a time warp? If employee-centric ideas like these seem foreign to you, or if you imagine employees getting a better hold of their worklife through flextime, worklife programs, opportunities to participate, and the like — that's so 1980s. Welcome to the early 21st century, a Work 2.0 world.

But don't for a minute think that My-Way is about creating an entitlement cookie jar. This is *all* about personal productivity. All about getting closer to the customer. All about getting exponentially more done every day, with exponentially less time to get it done.

I would be yanking your chain if I said the only way to deliver great results is to focus on My-Way. It's not. Great

teamwork; focused, passionate leaders and clear goals are irreplaceable. However, the whole My-thing *is* supercritical if you want to deliver those results *and* compete in the new war for talent.

Same values, new standards. “We don’t do a lot of fancy My-Way stuff yet,” says Hans Eisenman, head of Employee Tools and Systems for Earthlink, an Internet provider. “But even the most basic things we do — like making it easier for HR and managers to do salary adjustments and transfers over the Web — are the precursors and the foundation for a different way of working. Customization is the future of work. For one core reason — to make it easier and faster to get closer to the customer.”

Eisenman’s pace quickens as he talks about his role in helping 6,400 people do their jobs. His passion reflects the most critical component of My-Way: company values. Eisenman’s dedication to changing the design of work is utterly consistent with Earthlink’s company values.

“We have ten core values at Earthlink. The first one is, ‘We respect the individual, and believe that individuals who are treated with respect and given responsibility respond by giving their best.’ We really live that here. I think My Work My Way is the way people do want to work. Most people want to be trusted. They want to be in an environment where tailored and personalized worktools and structures prove that they can be trusted.”

Respect. Trust. What’s really important about My-Way is that in a Work 2.0 world, the bar is being raised for what you have to deliver when you say you trust and respect people.

Eisenman continues: “Our founder, Sky Dayton, says that Earthlink is about removing time and space from communication. I believe that’s my role too. In real time, I’ve got to get people what they want and need to satisfy our customers. That also means we have to get really, really good at knowing what people want and need. Technology

doesn't answer that question for us. Our core value about respect does. It continually drives us to learn more and more about our employees' changing needs."

Know me. Know my work. Know what I need. Know how to help me.

Most companies suck at this. Work 2.0 workers will not tolerate this shortcoming. They want customized work experiences. They deserve customized experiences.

Which brings us to the lies and truths we've been telling ourselves for the past couple of decades. The basic truth is that managers and coaches will always be the most crucial source for know-me, know-how-to-help-me customized interaction. The big lie is that companies are actually doing enough to develop the frontline and mid-level managers who can address employee work needs. For the most part: Ain't happenin'.

Oh, sure, all the biggie companies have coaching, mentoring, and development efforts for their managers. But their (well-intentioned) efforts either lack the necessary discipline to have the desired impact or, worse, are stuck in a Work 1.0 world.

One team, new assumptions. Even in the most impassioned, the-team-is-everything environment, you must start with the assumption that everyone needs to be in control of their own destiny.

With just one sentence, Rusty Rueff demonstrates the quantum leap most companies are going to have to make if they want Work 2.0 employees to trust them.

Rueff is the head of Human Resources at Electronic Arts (EA), the world's largest video-games company. He's in charge of ensuring that EA's great culture and passionate people are the core of their competitive advantage.

We were discussing the vision/mission thing. Rueff jumped in with, "I'm constantly sitting down with people, saying, 'Let's talk about the big picture...'"

Now, how do you think the overwhelming majority of managers in most companies have been trained to complete

that sentence? Describing the big picture probably covers global market forces, or the company's goals or values, or customer needs, or the bottom-line, or teamwork, blahblahblah...right?

Here's how Rueff completes it: "Let's talk about the big picture. Let's talk about where you are going."

180° shift. "People need to be in control of their own destiny. If I come in with corporate thinking, they tune it out. But if I can dial it back into, 'Let's talk about you, and let's talk about how you fit into what we're all trying to get done together,' all the cynicism goes away." Rueff concludes, "We are teaching every single one of our managers to do that."

In an economy that provides more choices and challenges than how-to's, an individual's need to have greater control over his or her own destiny is a force that will not be denied. *That* is the spirit and guiding principle behind My Work My Way.

3

Work 2.0 Is Peer-to-Peer Value

Boasting of an open, sharing, and collaborative environment nowadays is like saying, "We're a great place to work. We provide air for our employees to breathe! Flushable toilets too!"

P2P 2U: Open and sharing...Been there. Done that. What have you done for us lately?

If you want to maximize what your people can accomplish, you're going to have to take peer-to-peer (P2P) interaction to new places. P2P guru Alan Ellman recounts how this kind of higher calling found him: "I got home one day, and there's a message on my machine. Something about American Express and 'Call me about an important matter.' I thought maybe something happened to my card.

“It ended up that Jim Robinson, former CEO of Amex, was looking to put some money into an emerging company,” says Ellman, founder of Screaming Media. “He hooked me up with Jay Chiat [Chairman of Screaming Media, founder of Chiat/Day Advertising], who is an amazing guy. He loves inspiring people like me to do things that are not in their comfort zone. I used to be a computer hacker. Now I run a global sense-making business.”

Leadership: Jumping the Chasm

Work 1.0

Work 2.0

Organizational productivity

Personal productivity

Operational excellence

Radical simplicity:
Focusing on what people need

Operational consolidation

Consolidate processes and structure, but people are business units of one

Respect, Trust, Integrity 1.0:
How people are treated

Respect, Trust, Integrity 2.0:
How people *and* their assets are treated

Emperor’s New Clothes

Emperor’s New Clock

Business sophistication pushed down

Work sophistication pushed up

Screaming Media feeds custom-filtered, real-time content to corporate and news clients. Their technology works in the background to continually search millions of items and feed you only what matches your profile. That way you and your team can share information in ways and at speeds that were never before possible. Screaming Media marries the disciplines of My-Way customization and creating P2P value.

But, frankly, their techno-specifics, or anyone's, are not what makes the P2P story so new and challenging. It's how rapidly what is valued in peer-to-peer exchanges can shift, and how much your employees can teach you about those shifts.

The standards are changing. Collaboration, teamwork, learning, and communities are leaping to completely new places — often, way beyond corporate leadership's endorsements, assistance, sponsorship, and funding. From better-informed grapevines (like F**kedCompany.com and WorkingWounded.com), to information architecture and content management (like Screaming Media), to totally user-centered sharing spaces (like Groove or Topica), to just-in-time, on-demand learning, and much more, new frontiers in how people connect with each other are being crossed daily. Creating a collaborative culture is no longer enough. The future of great places to work will be determined by the ways in which a company delivers value to those interactions.

This means expanding your view of how you add value. Do you know what to do that would save people time every single day? Do you know what to do to enhance trust and relationships between people? Conversely, do you fully understand how you destroy trust and relationships in the way you currently create structures, controls, and communication? Do you know how to get out of the way, and still lead?

Technology may occasionally look like the key driver. It's not. What matters is your willingness to invest in peer-to-peer collaboration in ways that your employees define as valuable, and in ways you never have before.

Setting standards without you. There is only one way you are going to keep succeeding. You need more from all the teamwork within your organization. More innovation. More productivity. More self-direction. Success no longer comes from the top down. It comes from how good you are at finding, funding, focusing, and caring for all the work that bubbles up from below.

The New Economy is finally catching up with the average knowledge worker's need to come up with all those ideas and faster ways to get stuff done. From cell phones, to learning portals, to handheld PDAs, to the Internet's most basic killer app — email — and lots more, it is now easier and cheaper for workers to learn from others, to share, and to grow.

New standards now include what content is most valued, and what social connections, timing, tips and tools, amount of detail versus context setting, and type of coaching are best. All those standards, and more, are being set in today's peer-to-peer connections.

And here's the most important part: All without you!

The new standard-setters. Heath Row is developing and mentoring many of your new employees. Never heard of this guy whose name sounds like an airport? His title is Social Capitalist. He founded and coordinates *Fast Company's* global readers' network, the Company of Friends. He helps folks develop and coach others, most often by connecting them to other people. This self-described yenta helps people — including the employee standing outside your door right now — learn how to get the most from their boss, and how to maximize their peer-to-peer efforts.

Rachel Chou, an ex-teacher, is now executive producer at Scholastic.com. She is also a new mother. Through iVillage, an online community, she found fellow new moms. They taught each other. They coached each other. They stay connected because they're facing the exact same challenges at the exact time in their kids' life cycles. She has lived the process of building and sustaining community value. She has new



appreciation and expectations of what that value looks like. She now expects the same standards for community-building at her workplace.

If you want to be a valued middleman between your employees and their work, you are going to have to understand how peers *really* connect with each other to get things done.

Jennifer Corriero (21 years old), and Michael Furdyk (19; founded his first of several companies at 16) are creating new kinds of global leaders through TakingITGlobal. Their Toronto-based, nonprofit organization connects and mentors youth in over 70 countries.

Says Furdyk: “As youth, our greatest fear is not that we are inadequate. It is that we are powerful beyond measure. The biggest shift in the next few years will be in how leaders lead. Companies need to be much more accepting of individuals who don’t want to lose their power by being too tied to one company.

“At TakingITGlobal, we’re doing our small part to help create those kinds of leaders by demonstrating what happens when they bypass normal channels and connect directly with each other.” This includes connecting Ezekial Annan from Ghana with Lena Anastasiades from Cyprus so that she can share what she learned at the Global Knowledge Conference in Kuala Lumpur.

Think about Joree Jacobs and Sami Shelnick when you think about how you’ll cut through the clutter caused by intense P2P collaboration. These eighth graders at Nordonia Hills School in Northfield, Ohio, are representative of tomorrow’s digital workers. They giggle as they describe how they do their homework together: “While my homework’s on my screen,”

says Sami, “I’m talking to Joree, and IM-ing [instant messaging] Shannon and Jinny, all at the same time.” They also report that their teacher’s use of PowerPoint is “soooooo b-o-r-i-n-g!”

During this quick tour of P2P advances, I didn’t once mention the impact of wireless or mobile communications. Like what Joree’s peer, Yuriko, is up to in Japan. 95 percent of all Japanese teenage girls have one or more cell phones.¹ Or how Heath Row will soon have greater access to your employees than you do. Or how hundreds of thousands of protesters in Manila organized the ouster of Philippine president Estrada through instant messages broadcast to cell phones. You don’t even want to think about some of those stories....

The common thread? In the outside world — where employees escape to when they’re not in their cubes — the standards for what’s valued and valuable in peer-to-peer connections are ratcheting up. This force of creative destruction is a perfect storm. The Net and other communication technologies have created an unstoppable energy — it keeps getting easier for people to connect with, and learn from, each other in ways that they highly value.

The bottom line for P2P. Your company may serve a critical marketplace or customer need. But nobody needs companies anymore to help them collaborate, share, or create. People can now self-organize amazingly well, thank you. Their daily challenge is to get the most out of each connection, often in the least amount of time.

Throughout this book, you’ll find stories about organizations that are tackling this challenge. Cisco, Trilogy, Sun, even a Belgian department store and a public museum are among those creating intense amounts of P2P value. By setting new standards, or through plain old 99 percent perspiration on the basics.

Their successes or practices, however, should not be your most important takeaways. Don’t look for initiatives, programs, or technologies. Let’s, instead, go back to the critical question raised earlier in this chapter: “Am I changing enough to

demonstrate that I respect and trust the people around me?”

In a Work 2.0 world, your personal values — trust and respect in others, providing the freedom to act, and more — will be tested in completely new ways.

You already fund training and development. You approve IT budgets. You champion or manage process changes, infrastructure build-outs, and worktool designs. These are, indeed, all enablers for getting work done.

But Work 2.0 wants more from you. Are you willing to design budgets and strategies around what the people doing the work find most valuable? (Remember, more often than not, when it comes to collaboration, teamwork, learning, and communities, they're ahead of you.) Are you a peer-to-peer value revolutionary?

The future of great places to work will examine how much value you deliver when peers connect with peers.

4

Work 2.0 Is Extreme Leadership

06:30. Hit the deckplates. Within hours of meeting Rob Newson, I was whipping across San Diego Bay at 47 knots an hour, being subjected to tremendous forces as we made instant 180° turns, hurtling across the crests of our own waves.

Lieutenant Commander Rob Newson is a U.S. Navy SEAL, and XO (Executive Officer) of Special Boat Unit 12 and SEAL Team Seven. We were in an 11-meter RIB — Rigid Inflatable Boat — that can be dropped by helicopter, plane, or ship within 100 miles of a target. Its mission: insertion and extraction of a squad of eight SEALs, Green Berets, or Special Ops personnel. Often the goal of the mission, as Newson described it, is to “blow things up.”

Your resolve to reinvent leadership must be the same.

Most of today's leaders are detached from the causes and effects of their actions on their employees' working capital. Leaders are shielded from the consequences of their decisions on how people's time, knowledge, or skills get wasted. Most are not forced to hurtle across the waves of tools, structures, managers, or communication that are anything but user-centered.

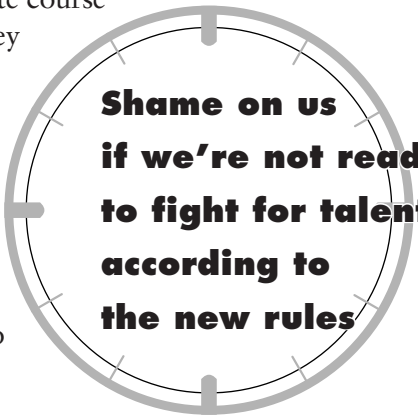
This detachment is visible, and the talent you most want to keep won't tolerate it for long.

Defining extreme leadership. "The idea is based upon extreme sports," says Newson, "where the true leaders trust their lives to their own talents, their tools, and the talents and direction of the people who support them. But the risk-taking is *not* about how daring one can be. It's all about vulnerability at the work level. That's where the real daily risks occur — not at the marketplace, political, or strategic levels."

Newson, who coined the term "extreme leadership," was one of 19 officers selected for a special project. They were to envision the U.S. Navy of 2020, including how its leaders must lead.

Like you, all military organizations are being forced to deal with new kinds of global threats. Many of the new enemies are small, fast insurgents who don't fight by the same rules we know so well. And like you, the military must also fight a war for talent.

Newson's model for extreme leadership was based on his own experience. "In the SEALs, leaders go through everything with their team. There is no separate course for officers. You do everything they do, except you get yelled at more. The leader is part of the group. He's never above the fray. I think this is an important dimension of the future. Unlike 20th-century leadership, tomorrow's talent will not settle for anything less than leaders who



**Shame on us
if we're not ready
to fight for talent
according to
the new rules**

address the challenges faced by the people on the front lines.”

He and his teammates designed the format for a 2001 Leadership Summit. The Navy committed to begin developing new views of leadership and driving them out to more than 600,000 personnel. Says Newson, “I mapped out all the ideas we wanted to cover: covenant leadership, empowered and empowering, trusted and trusting, teacher and learner, roving leadership, and lots more. But when it came time to name this multidimensional leadership, all the ideas we had sounded like a top-down perspective. They reinforced a separation between leader and everyone else. ‘Extreme Leadership’ popped into my head and it stuck.”

The future of leadership is extreme accountability for life’s precious assets. Tomorrow’s leaders will shift from heroic management of people’s time, attention, and talents to authentic respect for the assets the workforce brings with them.

Launching the new model. Jane Harper is experiencing this new accountability firsthand. She heads IBM’s Extreme Blue, an 11-week summer internship for 100 computer-science and MBA students, worldwide.

The students are selected from the best of the best. One MBA student sits on each internship team, paired with three or four technical students. Some of the teams even have top-notch high schoolers working alongside the interns. They’ll have the opportunity to join Extreme Blue upon entering college. Currently, the program is housed at IBM sites in Texas, Massachusetts, and Silicon Valley. Affiliated projects are also beginning in Germany, Israel, the UK, and Switzerland.

The students have regular access to the top ten leaders in the company, including CEO Lou Gerstner. They are mentored by some of the company’s best technical and managerial minds. The projects they are assigned have tight three-month goals, and are sponsored by business units expecting breakthrough results. Spending \$6 billion annually in research and development, IBM sees Extreme Blue as an academic incubator — cultivating the

talent needed to create innovations.

“We started this program,” says Harper, “because there was a breed of very talented folks out there that didn’t consider IBM when leaving school. To change that, we’ve worked hard to create the ultimate internship experience.

“Before I was part of Extreme Blue, I thought I was in tune with the expectations people have of leaders and the companies they work for. Now, it’s like, ‘What was I thinking?’ This experience has totally changed my view of what it will take to lead in tomorrow’s environments. It now tracks with the themes of the new contract.

“First, there is no fear about pushing upward. These students know they’ve only got a couple months to deliver results, and they don’t want their time or talent wasted.” Role-playing a student’s perspective, Harper reels off some of their criteria:

- “If I’m not working on something that is incredibly challenging and incredibly important, I’m not gonna be there.” Harper says this is most important to her new hires, ahead any other criteria by a factor of five.
- “My Work My Way includes the way we need to work in order to meet the team’s goals. Nonnegotiable are the best tools, total flexibility about how to achieve results, and completely open information-sharing.”
- “Peer-to-peer value includes no loser managers.” These students have complete confidence in themselves, she reports. And they want to be sure IBM doesn’t hold them back.

“Before this sounds like too much me-me-me,” Harper stresses, “it’s important to emphasize that their criteria are based upon the expectations we laid out for them.”

Each project team was given rigorous goals at the beginning of the summer. Projects included, among others, advances in Linux applications and wireless technology. Before returning to school, all the teams presented their results to an audience of 250 people at corporate headquarters, including CEO Gerstner;

president Sam Palmisano; the head of Technology, Nick Donofrio; and the head of HR, Randy McDonald.

Each team had only four minutes to explain the technical advances and business results expected from their projects. They then went into a Demo Conference, where they had to answer questions like How did you do this? What were you thinking when you did it this way? What are our competitors, Oracle and Sun, doing to beat this?

The final force of creative destruction. Harper observes: “I now really believe every rule in the book of leadership is changing. From a people perspective, we — as a company, as executives, as HR leaders — no longer set the rules. The talent everyone is going to fight over is now telling us: ‘This is what we need in order to deliver the results you expect. This is what we’ll accept. Otherwise we’re not coming.’”

“As leaders, shame on us if we’re not ready to fight for talent according to the new rules,” she concludes.

The future of leadership is extreme:

- You will have to understand risk-taking and work from a frontline perspective
- Your directives will be questioned in ways you’ve never experienced — all in the name of better work performance
- You will have to build trust and communication, tools and systems from the workforce’s perspective
- Your integrity will be questioned if you pair “loser managers” with people who are passionate about doing their best

In short, you will have to shift from managing how people get work done to understanding how they do it. Then, you’ll have to get ahead of those you’re supposed to lead.

It’s important to note that although Jane Harper learned these lessons from interns, extreme leadership isn’t about kids dictating terms to seasoned senior execs. Grown-ups are a good thing! If the recent past has taught leaders anything, it’s that maturity, wisdom, and profits are very important.

You should, however, pay close attention to the *honesty* of youth. They're willing to risk more early in their career by speaking the truth to power.

Respect that. Seek out the truth-tellers.

You need to surround yourself with people who will put their political ass on the line in order to reinvent peer-to-peer value, push for My-Way tools, and risk fighting the war for talent in completely new ways.

If you are going to be an extreme leader, your team will be composed of people who will make sure you deal with work-level barriers and concerns.



Four Forces of Creative Destruction

Call it enlightened self-interest: focusing on productivity by taking respect for the individual to completely new levels.

1. Work 2.0 is an Asset Revolution. Workforce assets include their time, attention, ideas, skills, knowledge, passion, energy, social networks, and more. How will you create better ROIs on these assets?

2. Work 2.0 is My Work My Way. The future of work is personalized and tailored. Information flows, tools, and compensation structures will be personalized so that people can have more control over their own destiny.

3. Work 2.0 is Peer-to-Peer Value. Nobody needs companies to help them collaborate, share, understand, or create. People can self-organize and connect amazingly well, thank you. You're a middleman. What value do you add when peers connect?

4. Work 2.0 is Extreme Leadership. The future of leadership is extreme accountability for life's precious assets. From this point forward, R-E-S-P-E-C-T includes better use of the assets the workforce brings with them.