

"The Dream Manager will forever change how companies think about their employees, and how managers define what it means to do their job."
—Patrick Lencioni, author of *The Five Dysfunctions of a Team*

the
**dream
manager**



MATTHEW KELLY

With a Foreword by Patrick Lencioni

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t h e d i l e m m a

the future of your organization and the potential of your employees are intertwined; their destinies are linked.

An organization can only become the-best-version-of-itself to the extent that the people who drive that organization are striving to become better-versions-of-themselves. This is universally true whether the organization is a business, a school, a government, a nonprofit, or a sports team. To the extent that a CEO, an executive team, and a group of managers and employees explore their potential as individuals, so too will an organization explore its potential.

The problem is, the great majority of people in the workplace today are *actively disengaged*. This is the dilemma that modern managers face. To varying extents, people don't feel connected to their work, the organizations they work in, or the people they work with. No single factor is affecting morale, efficiency, productivity, sustainable growth, customer intimacy, and profitability more than this *disengagement*.

Disengagement. Is an employee 85 percent engaged? 60 percent engaged? 50 percent engaged? Or worst of all, have they decided to "quit and stay"? You do the math. What does your payroll amount to? If on average your employees are 75 percent engaged, disengagement is costing you 25 percent of your payroll every month in productivity alone. The real cost to your business is of course much higher when you take into account how disengaged employees negatively affect your customers and every aspect of your business.

It has been almost forty years since Peter Drucker observed the single greatest error and deception of our accounting system: people are placed in the liability column on the balance sheet. Machinery and computers are categorized as assets and people as liabilities. The reality, of course, is that *the right people* are an organization's greatest asset. We may have acknowledged this truth in theory, but we have not allowed it to sufficiently penetrate the way we manage our organizations, and indeed, the way we manage the people who drive them.

It's not that we don't want to engage the people who work with us and for us. In most cases it seems that we simply have not found a practical, efficient, and affordable way to do it.

The Dream Manager concept provides a revolutionary way of reversing this crippling trend toward disengagement and demonstrates how organizations large and small can *actively engage* their people once again, thus creating a competitive advantage of monumental proportions.

In the past, companies have battled over price, quality, quantity, customer service, operational excellence, and product leadership. In the coming decades, we will witness the next great corporate battle—the war for talent. The battle may seem to be raging already to some, but in truth it is only just beginning.

BusinessWeek reports that, over the next ten years, 21 percent of top management and 24 percent of all management jobs across all functions, regions, and industries will become vacant. Add to this trend an aging population, a shrinking workforce, and a growing intolerance for the illegal immigrant

population that provides much of the unskilled labor in the United States today, and you have a talent and labor crisis of enormous consequence across all disciplines—from the highly skilled to the completely unskilled.

But it is not enough simply to hire the right people. The ability to attract, engage, and retain talent will be the number one strategic objective of every successful modern leader and organization.

A football coach's number one priority is to attract, develop, nurture, organize, and motivate the franchise's talent. Coaches and team owners are intimately aware that the future success of their organization depends on the talent they attract, engage, and retain. Finding and nurturing talent is their number one priority. Why should the priorities of a CEO or manager be any different?

A company's purpose is to become the-best-version-of-itself.

The next question is: What is an employee's purpose? Most would say, "to help the company achieve its purpose," but they would be wrong. That is certainly part of an employee's role, but an employee's primary purpose is to become the-best-version-of-himself or herself. Contrary to unwritten management theory and popular practice, people do not exist for the company. The company exists for people. When a company forgets that it exists to serve its customers, it quickly goes out of business. Our employees are our first customers, and our most influential customers.

A person's purpose is to become the-best-version-of-himself or herself.

Finding a way to create an environment that helps employees become the-best-version-of-themselves, while at the same time moving the company toward the-best-version-of-itself, may seem impossible to many; to others, these purposes may seem diametrically opposed; but in reality, they are astoundingly complementary.

This is the story of how one leader and his executive team set out to transform a business by *actively engaging a disengaged workforce*.

The secret revealed within this story unveils the very core of what drives us as human beings, not only at work, but in every arena of our lives. So whether you are the CEO of a large corporation or the leader of a small department, the principal of a school or a football coach, a parent grappling with the dynamics of teamwork within your family or an employee just looking to make sense of the work you do every day...you are about to discover something that will change your life forever.

part one

DESPERATION

Just Another Day

Something was wrong and Simon Roberts knew it. Meandering slowly through traffic on another cloudy morning, he started wondering where his life was going, and his thoughts quickly wandered to his job. It seemed so transactional now, and that left him feeling flat and unmotivated. Simon wasn't a lazy person; he loved a good challenge. But lately he'd found himself disengaging from his work, and that bothered him. Something needed to change—he just wasn't sure what it was, or where to start.

He had joined Admiral Janitorial Services four years earlier because solving problems and working with people were the two things Simon was passionate about.

His business card read “General Manager,” but as Simon reflected on the past four years, it seemed he had spent most of his time dealing with recruiting issues. “Lead Recruiter” seemed more accurate since, truth be told, 75 percent of his time was spent dealing with issues directly related to the “T” word.

“Turnover,” that is. But at Admiral, you didn't speak that word.

Sure, plenty of companies have turnover problems nowadays, and building a team has perhaps never been more difficult. But if you think *your* company has a turnover problem, try getting people to clean toilets. That's what Simon had spent most of his time working on over the past four years. Admiral Janitorial Services had just over four hundred employees and an annual turnover rate of 400 percent, just above the industry average. Needless to say, team spirit and employee morale were low.

Pulling into his parking space at Admiral's headquarters, Simon felt his energy plummet and wondered how he would face another day. All he could hear was a *Winnie-the-Pooh* tape his son used to listen to as a child playing over and over in his mind, and it was stuck on the line, “If you do what you've always done, you'll get what you've always gotten.”

How Much Is Turnover Costing Us?

“It's costing me a fortune,” Greg said as he charged through the door. He never had learned to knock, but then again, he owns the company.

Greg founded Admiral when he was just seventeen and, over the past twenty-five years, he has grown the business from a one-man operation to a small army of around four hundred employees.

Today, he is a successful and wealthy businessman, but whenever people ask him what he does, he always replies, “I’m a janitor.” From time to time, he will attend a black-tie affair and people will laugh at his answer, thinking he is joking. But discovering he is serious, their laughter quickly diminishes into embarrassment.

Greg is an entrepreneur—he can sell anything to anyone and has an uncanny ability to see trends and opportunities long before anybody else. But he can also be a little scattered and a bit of a hothead, and that’s why Simon was hired as general manager four years ago.

“What’s costing you a fortune?” Simon volleyed, though he knew exactly what Greg was talking about.

“Turnover!” Greg said, visibly exasperated.

On Friday afternoon, Simon had left the month-end reports on Greg’s desk. Among those reports were the quarterly turnover numbers. Over the last three months, Admiral’s turnover had been 107 percent. That’s right. In the past ninety days, 428 employees had left Admiral.

“It’s hard to know how much this is costing us,” Simon said. “We are having to hire for some positions three times a quarter. And it’s not just recruitment costs. Turnover affects morale, efficiency, and customer relationships. I’ve been telling you for twelve months that it’s a big problem.”

Greg nodded. “I know, I know. It’s just that now we’re starting to lose clients over it. I had a call from Charlie down at P & G today, telling me we’re getting a warning letter putting us on a ninety-day probationary period. He says our work has been sloppy and they’ve noticed a constant flow of new faces, and they feel like things are falling between the cracks.”

Simon just sat there, staring at Greg in a bit of a daze.

Greg continued, “So you’ve got my attention. Give them a pay raise, won’t that make them stay?”

“I wish it would, but I’m not sure,” Simon replied. “I don’t want to just throw money at the problem. Let’s find out what’s causing the turnover. Let’s find out why they’re leaving.”

“How will we find that out?” Greg asked.

“We’ll ask them,” said Simon.

“Huh!” grunted Greg. Clearly, this idea had never occurred to him.

Ask Your Employees

The next morning, Simon and Greg met at First Watch to talk more about their turnover problem. It was a relaxed environment, the food and service were great, and that made it Simon’s favorite place for breakfast meetings.

“So you’re just going to go around and ask them why people are leaving?” inquired Greg, half serious and half sarcastic.

“Let’s remember, Greg, they know things about our business that we don’t know. I read an article last month about the president of American Airlines. Refueling costs were killing them, especially at airports where they had to contract other airlines to refuel their planes. One day he was pondering the problem after a meeting with his executive team that went nowhere. So he drove out to Fort Worth from his

office in downtown Dallas, went down to maintenance, got a couple of crews together, told them the problem, and asked them what they thought the solution was.

“They just looked at each other. Some smiled, some just shook their heads. They all knew the answer. Put enough fuel in the planes while they are in Dallas to fly to and from Los Angeles. The plane will use a little more fuel, and if delayed you may need a top-up in LA, but it will still be cheaper than contracting a third party to refuel the planes in LA. In the next twelve months, American Airlines saved millions of dollars because of this single idea...even with the rising cost of fuel.”

Greg sat there pondering as Simon continued. “The employees know things about our business that we don’t. We should do a survey and ask them why they think so many people come and go.”

“A survey? How much will that cost?” Greg asked, always obsessed with the bottom line.

Shrugging his shoulders, Simon said, “I don’t know yet, but I know it will be worth it. You’ll be amazed at what they’ll tell us. Nobody knows the business like those who work in the trenches of it every single day. Ask your employees. They know more than you think.”

The Initial Survey

Simon spent the next week working up a few simple questions for the survey. He had just one goal in mind: to discover why so many employees came and went at Admiral.

The following Monday morning, the surveys were distributed to each of Admiral’s 407 employees.

At first, the employees were resistant. Some were cynical, others were skeptical, and most of them were just plain cautious. Who could blame them? It was out of left field. It was just so different from what they were used to.

“Why are they asking me why people are leaving? Why don’t they ask the people who left?” Simon overheard one employee saying in the lunchroom.

A few brave shift managers came by Simon’s office to ask him straight out what he was trying to get at. Simon set them at ease, asked them to be sincere, and asked them to encourage their direct reports to do the same.

“They don’t have to put their names on the surveys. They can just fill them out and hand them back,” he explained. “Like I said in my letter on the front page of the survey, we can’t go on like this, month after month, hiring dozens and dozens of people. We want to find a new way, and we figured nobody knows the reasons people are leaving like our employees.”

It wasn’t long before the surveys started coming back. In the next two weeks, 187 of Admiral’s employees returned the survey. The response was much greater than anyone had thought it would be. And what did Simon’s employees tell him?

Simon started reading through the surveys one by one at 4:30 on Thursday afternoon. An hour later, he stopped and sat back. A smile crossed his face. “It’s so obvious—and yet we didn’t see it,” he said to himself.

The Initiative

The number one reason people didn't stay at Admiral: transportation. Not money. Not benefits. Transportation. The resounding reason that the surveys cited was difficulties created by lack of transportation.

"We never would have worked this out on our own, Greg," Simon said. "And the reason is because we take our cars for granted as part of our everyday lives.

"They don't live near where they work. Many don't have cars or even a driver's license, and they're often working at hours when public transportation is either not available or just too dangerous. Would you want to stand around waiting for a bus in some parts of town?" Simon explained to a disbelieving Greg.

"It's never what you think it would be," Greg exclaimed. "I thought they'd just say 'money.'"

Simon smiled. "Don't get me wrong, they'd like more money, too. But the transportation dilemma was mentioned twice as often as financial compensation."

"Okay, so what do we do now?" Greg asked. "You're not suggesting we buy them all cars, are you?"

Simon ignored the sarcasm and explained, "My team has thrown around a few ideas, including coordinating a carpooling system, but it's too unpredictable. What we need to do is put together a shuttle system to bus our employees from their neighborhoods to the job sites."

Greg just looked at him for a moment. "You've gone too far now, Simon. You're either on drugs or you *need* to be on drugs."

"You said you wanted to solve the turnover problem, Greg. You can throw more money at them, but money won't have a real impact. If you're serious about tackling this turnover issue, transportation is the one thing that will impact this situation the most. The employees have told us that. Now we can do something about it, and in the process, win their trust and increase morale, which are bound to have an impact on efficiency and productivity. Or we can ignore what they've told us and the problem will continue to perpetuate itself."

"I'm scared to ask the next question," Greg commented.

"Then don't ask it," Simon said, interrupting. "It's the wrong question anyway. The question is not, how much is this going to cost us? The question is, how much is this going to *save* us? Depending on who you listen to, the cost of turnover is anywhere from 25 to 150 percent of an employee's annual compensation. In the case of a manager or executive, the estimate ranges from 100 to 225 percent. This means, based on our current payroll, turnover is conservatively costing us two million dollars a year. That's almost \$170,000 a month, or \$40,000 a week!"

Greg just glared at him, but Simon wasn't finished.

"I asked my team to work up a couple of scenarios and price them out, and I think we can pilot a shuttle bus program for between twelve and fifteen thousand dollars a month, and I think it will decrease turnover by at least 20 percent. Do the math, Greg. Give it three months. By then you'll know. In fact, you'll probably know long before then."

"All right," Greg agreed reluctantly, "but if you're wrong..."

Simon cut him off again. “No more threats, Greg, because the truth is, I’m miserable the way things are. If we can’t get at this turnover issue, you won’t have to fire me—I’ll quit.”

The following week, the shuttle bus system was announced. Three weeks later, it was fully operational. During the day, Admiral would bus employees to and from certain locations in four key neighborhoods, and at night they would bus them to and from their homes.

The results were almost immediate.

Attitude Shift

The first change was a new attitude among the employees. The managers pointed it out to Greg and Simon at the weekly managers’ meeting.

“You have no idea how grateful some of these people are. Every day is a struggle for some of them. They want to work, they need to work, but for so long, they’ve believed that everyone’s against them, including us,” announced Brad, one of the four regional managers.

“I have to agree,” said Juan, another of the regional managers. “It’s a simple thing, but it has made their difficult lives just a little bit easier and they appreciate that. The fact that, as a company, we’ve bothered to try to understand part of their struggle really means something to them.”

Not all of Admiral’s employees were using the bus system, much less than half, in fact, but a powerful message had been sent.

In a very real and practical way, the lives of many Admiral employees had been touched, and Greg and Simon started to notice a change in the attitude of employees when they were asked to do something. There was a new spirit of cooperation...you could see the adversarial spirit dissolving...

One Year Later...

Over the next year, employee turnover fell from around 400 percent to 224 percent. It had been a tough year, and turnover was still a serious problem and a top priority at Admiral, but real progress had been made. A record profit had been posted, and Simon and Greg both knew that the reduced turnover was the biggest contributing factor. And the other factors were all derivatives of having addressed the turnover crisis.

It was also interesting to note that sick days were down 31 percent from the previous year, and lateness had been reduced by 65 percent. The managers noted at their quarterly off-site review how much pressure this had taken off them and their teams.

Simon left a report outlining these results on Greg’s desk, and left the office.

As he drove home that night, Simon had a genuine feeling of satisfaction. He knew he had not solved the problem entirely and he was still having to hire far too many people. But he knew he had begun something revolutionary, and that gave him a deep sense of fulfillment.

The next morning, Greg came into Simon’s office with a bonus.

“I want you to know I doubted you at every turn, but the survey and the shuttle bus ideas were great. I actually see the reduced stress among people. It’s more enjoyable for me to come to work, and even though at times I can be rude and impatient, I want you to know that I am grateful.”

Simon could hardly believe his ears. It took a moment for him to shift into that gear with Greg, and by the time he did, it was over.

“I need you to do another survey!” Greg barked.

Simon just about fell off his chair. “You hate my surveys.”

“I know. I know. But that was in the past. I hated your surveys when they were costing me money. Now they’re making me money. Find out what’s next on the list,” Greg said.

“What list?” Simon asked, toying with him a little.

“The ‘Why people leave Admiral’ list!” Greg insisted. “And hire another assistant. You’re going to need one. We are going to get to the bottom of this turnover thing and build an extraordinary team.”

p a r t t w o

THE INITIATIVE

The Obvious

Simon was determined not to lose the momentum. He called an executive meeting to ask the question...again.

“We have made great strides, but we still have work to do if we’re going to beat this turnover thing,” Simon announced to his executive team. “I think we have to ask the question again. Why do so many people leave Admiral?”

Most just shrugged their shoulders and said, “If we could pay them more, they would stay.”

Sometimes, when you get too close to something, you can’t see it for what it really is.

When Sandra starting talking, every head in the room swiveled in her direction, and several of the team looked at her as if to say, “Who is this and why is she speaking?”

Sandra Anderson was Simon’s new assistant and he had asked her to sit in on the meeting with him. Not easily intimidated, she spoke up, saying, “The problem is, they don’t see any future in it.”

Everybody in the room knew that. It was the obvious answer. But the leadership team had become immune to it. It had been overlooked because they believed they couldn’t change it.

“Come on,” said Jeff, Admiral’s operations manager, “let’s get honest with ourselves. It’s a dead-end job. You know it and they know it.”

“But does it have to be?” Sandra asked, baiting him.

Peter was the manager of region one, the team that cleans the stadiums and concert venues, and he came to Jeff's defense now.

"I think Jeff is right. We're not going to get around this one. Cleaning toilets, vacuuming offices, and picking up trash in stadiums is always going to be a dead-end job, isn't it? I mean, we might want to believe otherwise, but it is what it is. It isn't like people dream about being a janitor when they're in high school."

"I think you're wrong!" said Sandra. It may have been her first week, but Sandra wasn't afraid to speak up, maybe *because* it was her first week. Simon felt the muscles all over his body tighten. He feared Greg would just devour her with one of his moments—Greg was famous for them. He would throw things and scream. But he surprised Simon...again...by patiently asking, "What do you mean, Sandra?"

She cleared her throat and said, "Well, it could be a dead-end job, or we could make it a stepping-stone."

"A stepping-stone to what?" Jeff asked sarcastically, and a couple of the other managers snickered among themselves.

"Say more about that, Sandra," Greg pressed.

"These people all have dreams. We need to find a way to connect their job today with their dreams for tomorrow. I've been studying the turnover reports all week, and it seems that on average we keep an employee for about six months. A year ago, the average was three months. Imagine if we could increase that to three years. That alone would radically transform our whole business model."

"She's right," interjected Simon. "Unless we can link their job here and now with their richly imagined futures, the turnover issue will plague us forever."

"Will you listen to yourself," said Jeff. "Dreams and richly imagined futures. These people are unskilled labor. They don't have richly imagined futures."

"Then we need to help them with that, too," Simon volleyed.

"These jobs are dead-end jobs. People don't dream of being janitors. It is what it is. We can't change that!" exclaimed Jeff. Around the table, heads were nodding in agreement.

"I think we can," Simon persisted. "I think we can help our employees build a bridge between their NOW and a better FUTURE. Dreams are the bridge. We need to convince them that this is not a dead-end job, and the only way to do that is to demonstrate that working here can help them get where they want to go."

Dreams Drive Us

Nothing was resolved when the meeting came to an end, and Greg made a mental note that Jeff seemed pleased with that.

Simon trudged back to his office a little deflated. The past year had been filled with great progress, and that had been both fulfilling and exciting. But he knew he was up against another brick wall. This time it wasn't with Greg—it was with the team.

He slumped into his chair and turned toward the window.

“What are you thinking?” Greg asked, poking his head into Simon’s office.

“Does it ever occur to you to knock before you enter someone’s office?” Simon asked.

“Not really,” Greg said, grinning.

“Lots of things. I’m thinking lots of things,” Simon said, and then paused.

“Tell me about them. I’m in an unusually patient mood and find myself predisposed to listening, which as you know is even rarer than my patience.”

Greg sat down and Simon began to speak.

“If you ask people to talk about their jobs, they usually reply with a rote answer or a sales pitch that they’ve given a thousand times before, unless they are really doing something that they’re passionate about. But if you ask people to talk about their dreams, in most cases you’ll see a remarkable increase in their passion and energy.”

“So what are you saying?” Greg asked.

“I think Sandra is on to something here...Dreams drive us! We have to find a way to make a connection between people’s daily work and their dreams,” Simon explained.

“What do you mean?” Greg asked, looking for a little more clarity.

“If we can help our employees beyond the quiet desperation of mere survival by teaching them to dream again, and help them to fulfill their dreams, we’ll create a loyalty and dedication that’s unmatched. And then our people will bring the passion and energy they have for their dreams to their work.”

For several long minutes, Greg just sat there in silence, pondering all that Simon had said.

“Think about it like this,” Simon continued. “How important are your dreams to you?”

“Very important,” Greg conceded.

“Don’t your dreams drive you?”

“Of course they do. I’ve been chasing down dreams my whole life. If I don’t have a dream to chase, I am miserable. Dreams motivate me to get out of bed in the morning and make something of my life,” Greg replied.

“Exactly. So what makes you think that your employees’ dreams are any less important...or powerful?”

PEOPLE

The next morning, when Simon arrived at work, Greg was sitting in his office.

“I couldn’t concentrate at the show last night, and you know that’s your fault.”

“What’s wrong?” Simon asked.

“Simon, I think you’re on to something here, and that scares me and excites me all at the same time. I’ve asked Sandra to cancel your morning meetings. I think we should talk a little more about people and their dreams.”

Simon smiled. His relationship with Greg had always been very transactional. Greg told him what needed to be done, and Simon either did it or saw to it that someone else did it. He wasn't used to the new relaxed and reflective Greg, but he liked him and hoped he'd stick around.

"So, talk to me about what you're discovering or realizing about people," Greg said.

"I think we've forgotten that people are people," Simon began. "At Wal-Mart they call them 'associates,' at McDonald's they call them 'crew members,' at Starbucks they are 'partners,' at Disney they call them 'cast members,' here at Admiral we call them 'team members,' and at most places they just get called 'employees' or 'staff.' But in all of this, we've forgotten that first and foremost they're people." He could tell that Greg was really interested and listening, so he continued.

"What sets people apart? People are unique in that they have the ability to imagine a more abundant future, to hope for that future, and to take proactive steps to create that future. This is the process of proactive dreaming. Isn't that the story of all great individuals, families, teams, corporations, and nations?"

Simon paused for a moment to take a drink of water before going on.

"In many ways, we *are* our dreams. But people stop dreaming because they get caught up in the hustle and bustle of surviving. And once we stop dreaming, we start to lead lives of quiet desperation, and little by little the passion and energy begin to disappear from our lives."

"You've got me inspired," Greg said, "but I don't see how this translates into the business environment, or how it fixes our turnover problem, or even if it's our job to help our employees fulfill their dreams."

"I'm not 100 percent sure myself yet," Simon admitted, "but I do know that if we can make the connection between our employees' daily work and their dreams for the future, we will unleash an energy that will transform our business. And while it may be argued that it's not our responsibility to help our employees fulfill their dreams, I would pose the question: Isn't one of the primary responsibilities of all relationships to help each other fulfill our dreams?"

Greg and Simon sat talking for hours until Sandra couldn't hold off the employees any longer. Questions needed to be answered, phone calls returned, and meetings rescheduled...and everybody was wondering and whispering about what Simon and Greg had been talking about all this time.