



Bankable Leadership

Happy People, Bottom-Line Results, and the Power to Deliver Both

Dr. Tasha Eurich
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Take-Aways

- “Bankable leaders” balance employees’ needs with organizational performance goals.
- They “manage the universal tension between focusing on people and delivering results.”
- As a leader, seek the proper equilibrium in the tensions inherent in four sets of extremes:
- “Humanity vs. performance” deals in mutual trust, transparency and compassion.
- “Helpfulness versus responsibility” encourages leaders to take the middle ground between “Enabler” and “Dictator.”
- “Thankfulness versus improvement” seeks the right ratio between too much praise and too little.
- “Happiness versus productivity” recognizes that these qualities aren’t mutually exclusive.
- Being able to integrate the right proportions within each set of extremes is the “essence of bankable leadership.”
- Bankable leaders can handle both aspects of each pair.
- Give painless performance evaluations using the “2D Feedback Model” to encourage employees to “Duplicate” behavior that works and “Deviate” from behavior that doesn’t.

Rating (10 is best)

Overall	Applicability	Innovation	Style
7	8	7	7

Relevance

What You Will Learn

In this summary, you will learn: 1) How effective leaders balance company goals with the needs of their people, 2) How to bring four crucial sets of leadership extremes into better harmony, and 3) Why being in balance can make your company “more bankable.”

Recommendation

Leaders think they must either be warm and fuzzy so employees like them, or ruthless and driven so employees fear them. Performance suffers when leaders worry more about losing friendships than achieving results. Conversely, leaders who focus solely on the bottom line cause low morale, employee burnout and high turnover. Dr. Tasha Eurich, an organizational psychologist, shows leaders how to balance the needs of their people with company performance goals and how to “be human and drive performance, be helpful and drive responsibility, be thankful and drive improvement,” and “be happy and drive productivity.” Eurich deliberately treads quite familiar territory, but she provides quite useful advice on being a more effective, “bankable leader.” *getAbstract* recommends her guidance to anyone, at whatever level, who supervises others.

Summary

People Versus Results

Leaders often feel the “universal tension” between putting the needs of employees first and putting the goals of the company first. Neither extreme exists in a vacuum, and both are important to the well-being and success of the organization. At one end of the spectrum, as a leader, you need good relationships with your people so you can earn their trust and motivate and inspire them. Yet you must balance winning their regard with your ability to achieve high quality results that you and your company can “take to the bank.” Examine your leadership style to analyze how you balance – or perhaps should balance – four pairs of extremes:

1. “Be Human and Drive Performance”

You must learn to trust your employees. They must know they can trust you in return, but “FEAR” often thwarts trust. FEAR encompasses: “finger-pointing, energy wasted, anxiety and rumors.” Under the influence of such fear, employees defend their turf at all costs, worry about appearances in front of managers, are afraid to speak out and invent explanations for changes they don’t understand – that is, they spread rumors. To counteract fear, build trust.

“The most basic qualification for earning trust is competence.” Your employees must believe you know what you’re doing. Learn to speak your associates’ language. If they’re discussing a technical area outside your expertise, learn more about it. Attend conferences, read trade journals and find a mentor who can help you build your knowledge.

To be trustworthy, back up your words with action. Avoid making commitments you can’t keep. Build “motive-based trust” with your employees by sharing yourself and being fair. Find safe things you can discuss, such as hobbies, pets, or a personal detail or two about your family. Attend social events together outside of work. Consider holding a corporate retreat outside the office quarterly, biannually or annually. Work on admitting

“When was the last time you saw someone pretending to know something they didn’t? It probably bugged you.”

“‘Emotional contagion’ is a term used to describe [how to] ‘catch’ the emotions of those around us. As a leader, when you find joy in what you do, it’s contagious: Your team will be more likely to do the same.”

“When you don’t understand and support your team members, they will feel like cogs in a machine.”

“Real leaders improve incrementally. Incremental improvement is achieved by intently focusing on what you want to improve and relentlessly practicing it every day.”

“If you are not seen as someone who makes good on your word, you won’t be seen as competent.”

“If you create an environment where people truly participate, you don’t need control.”

when you don’t know something. People trust you less if you try to fake expertise, but acknowledging an area where you lack competence builds trust.

To discourage rumors, be transparent. Spreading rumors is how workers predict or explain what is going on in their firm when they don’t actually know what’s happening. Leaders may fail to share information because they get busy and forget, they want to maintain their flexibility, they fear disclosing information, they feel powerful when they hoard information, or they don’t want to confuse, upset or demoralize their employees. Bankable leaders are transparent about “intent and information.” You show intent when you tell your employees why you’ve made certain decisions. You show transparency when you share financial records, strategies, operations, and so on. Increase your transparency by interacting directly with the people on your staff and by learning what they want to know. Schedule regular meetings to give and receive feedback.

Leaders often fail to set clear expectations because they trust their employees and don’t want to hover. But if employees don’t know what their individual roles demand, they lose confidence and can’t succeed without visible targets. Such a lack of clarity leads to “role ambiguity,” which can cause stress, increased blood pressure, higher heart rate, and the like. Workplaces where people have defined roles generate greater productivity. Define what you expect from your staff members and teams. Outline and give examples of the five most important behaviors you expect workers to carry out, and define behavior that is not acceptable. State clear expectations clear about meetings, communication channels and the chain of command.

Even as you outline these parameters, “be a lightning rod of compassion.” Show your workers you care about them. Instead of scolding a chronically late nurse, manager Christy Martello, talked to her and discovered that her tardiness was due to problems at home. Once the nurse felt her boss cared about her and understood her struggles, she made an effort to be more punctual. Instead of losing a nurse who might quit out of frustration, Martello gained a loyal employee who later was nominated as Nurse of the Year.

Remember your employees’ names and the names of their spouses or partners, children, and pets. Give your employees your undivided attention when they talk to you. If you’re meeting with them, don’t answer your phone or check your email – being ignored makes people feel devalued.

2. “Be Helpful and Drive Responsibility”

Managers can follow one of two extremes: “Enablers and Dictators.” Enablers think they’re being helpful when they do their employees’ work for them or redo shoddy work. Dictators don’t trust employees’ judgment or decisions, and they push employees so hard that they burn out. To balance between these extremes, treat your employees as adults and support their decisions. When employees don’t feel supported at work, they are likely to be unhappy and less productive. Some will quit out of frustration. Bankable leaders show people just how and why their work matters.

Nordstrom treats its workers like grown-ups. Its employee handbook states: “We have only one rule...Use good judgment in all situations.” Encourage your staff members to think independently and to do their jobs without excessive oversight. Be sure you are not hoarding important projects that your employees should be doing. You and each one of your employees should work in areas that make the most of your strengths. Swap projects if necessary to develop people’s assets.

“Leaders who excessively control employees are implicitly saying that they don’t believe in those employees’ ability to make decisions – they’re neither helping them succeed nor driving responsibility.”

“Despite these fears and challenges so many leaders face, the research on transparency is clear: It builds loyalty and fosters performance.”

“Warning: Don’t make promises you can’t keep. Breaking promises is always worse than not making them in the first place.”

“Learning goals foster better performance and help employees be more resilient.”

Make your expectations clear, but allow some wiggle room. Let your workers decide how they will accomplish their projects. People perform better and feel less stress when they make their own decisions. Employees appreciate having some control over their work schedules, including flextime, working at home and other non-traditional working arrangements. People are also more productive and less anxious when they enjoy their work and find it meaningful.

Cathy, a manager at a hospitality company, believed a problem employee had hidden talent, so she asked him what he enjoyed doing and found that he liked working with numbers. She assigned him small numerical tasks and eventually he earned a promotion. Rather than focusing on employees’ current job descriptions, focus on each person’s potential. To “bring out the best” in your employees, ask:

- What can they do well that isn’t listed on their résumé?
- How are they outperforming others?
- What do your employees want to do? What kind of work gives them a sense of pride and ownership?
- What kind of work requires the least supervision from you?

Meet with employees individually to discuss these questions. Consider reassigning people to different departments, tasks or projects to fit their needs and talents. To listen to your employees focus on them, maintain eye contact, do not interrupt and speak “less than 10% of the time.”

3. “Be Thankful and Drive Improvement”

Leaders must strike a balance between gratitude and performance. Some leaders always thank their people and shower them with praise or gifts. While staffers want to feel appreciated, too much praise makes them complacent and entitled. Conversely, hard-driving, ungrateful leaders can make people angry, resentful and just plain tired.

“According to the Society for Human Resource Management, 79% of employees cite lack of recognition and praise as their top reason for leaving an organization.” To avoid turnover, “make gratitude a habit.” Thank your employees regularly. While monetary compensation works for some, with some people simple thank-you notes or other forms of recognition may be more effective. Find out how your employees want to be recognized and tailor your appreciation accordingly. Some may thrive on public recognition, while others will prefer private thanks.

To avoid generating an entitlement mentality, offer thanks and appreciation in small doses and always be unpredictable. One leader surprised her employees with bagels on a Friday morning. The next Friday, she did the same. On the third Friday, her employees became upset when she didn’t bring bagels. Reward only employees who deserve it. “Leaders receive the performance they reward. So if you give mediocre performers the same rewards you give top performers, you’re just tempting your best people to be mediocre.”

Many managers fear giving constructive feedback, and employees equally fear receiving it. To relieve the pain of performance evaluations, use the “2D Feedback Model.” This model says employees should “Duplicate” behavior that is working or “Deviate” from behavior that is not effective. Giving duplicate feedback reinforces positive behavior and lets you thank your good performers. Saying thank you is a great opener for a duplicate feedback conversation. Describe what your employee did well and how it affected others.

“When clarifying roles within your team, imagine that you’re the conductor of a renowned orchestra, guiding each musician to clearly understand the notes they’re playing.”

“Remember, people don’t leave companies; they leave bosses.”

“The simple leadership lesson is this: What we believe about others comes true.”

Then, ask for more of the same in the future. Telling problem employees to deviate from their current path is more difficult because you don’t want them to become defensive. To deliver that message:

- “Be direct but supportive.”
- Use a calm, unemotional tone of voice, as if you are “reporting the weather.”
- Ask them how they might change their behavior.
- Stay positive and offer your support.
- When behavior changes for better or worse, use duplicate messaging again.

Don’t wait to offer feedback. If you notice behavior you want to either reinforce or banish, say something immediately. If you can’t reform poor performers, consider terminating them only after you’ve exhausted all other options.

4. “Be Happy and Drive Productivity”

Many leaders think happiness and productivity are mutually exclusive. Most leaders are driven more toward productivity than fun. But employees can’t sustain 80-hour workweeks. Some leaders work late at night or on weekends and expect employees to do the same. Instead of pressuring employees to sustain constant pressure and risk burnout, encourage them to schedule time off regularly. When employees take 10 hours of vacation, their performance evaluations are 8% higher. Annual vacations “reduce the risk of heart attack by 30% in men and 50% in women.” Even shorter, more frequent breaks are helpful. Giving employees two days off to create a four-day weekend boosts productivity. Encourage frequent breaks in the office. Employees should get up and walk around or stretch once an hour.

Embrace the “One Less Thing” Principle, which means spending less time on less important work. Delegate tasks to others. Research shows that as the number of an executive team’s priorities increase, revenue decreases, but revenue goes up when the executive team has streamlined priorities. Acknowledge the impact of diminishing returns and follow the “80/100 rule.” Rather than demanding 100% of time and effort on each project, prioritize and decide which projects merit a “good enough” 80% of a team’s time and effort.

Learn to delegate or stop doing anything that doesn’t benefit you or your company. Make your workplace fun. “When employees are having fun, they are happier and more productive.” Provide food, create icebreakers before meetings, laugh at yourself and act like a camp counselor for the day by coordinating activities such as arts and crafts activities or field trips out of the office. If that sounds out of character for you or your firm, adapt it to fit. After all, research shows that leadership skills are “largely learned,” so “virtually anyone” can become a more effective leader, even if that means learning to have a little fun.

About the Author

Organizational psychologist **Tasha Eurich**, known as “Dr. T” to her clients, is a consultant in leadership and team training. An instructor at the Center for Creative Leadership, she speaks often at the MBA programs at the University of Denver and Colorado State University.