

THE *onnenjon* DEFICIT

Why leaders must bring both head and heart to work to build trust, lift engagement and accelerate organisational results.



A WHITE PAPER BY MICHELLE SALES

LEADING PROBLEMS

What makes a great leader? The answer to this question has been studied and analysed by leading organisation Google for many years.

The most current data was published in a 2019 article from *Inc. Magazine* 'Here's How Google Knows in Less Than 5 Minutes if Someone Is a Great Leader'. It confirms that frequent conversations between a leader and their team members result in high performance.

This fact was originally revealed in a review of Google's performance data in 2016, reinforcing the company's results of eight years earlier.

Project Oxygen, as it was known, involved studying 100 variables and analysing data – such as performance reviews and internal surveys from technical managers – to reveal what makes a truly great leader.

The most important behaviour identified was 'making that connection' between manager and employee, said Laszlo Bock, Google's Vice President for People Operations, when he reported the findings.

This proves that our ability to connect with others is a vital skill that impacts the results of leading organisations.

Yet studies show there is a connection deficit in most workplaces today.

EMPLOYEE RESEARCH COMPLETED BY THE PEW RESEARCH CENTER AND THE KEN BLANCHARD COMPANIES REPORTS:

- 81% of people say their leaders don't listen;
- 82% say their leaders don't provide appropriate feedback; while only
- 34% meet with their boss once a week;
- 28% rarely or never discuss future goals and tasks with their boss, while 70% wish they did;
- 36% rarely or never receive performance feedback, while 67% wish they did.



THE CONNECTION DEFICIT

If our ability to connect is at the core of great leadership, then how are we getting this essential human skill so wrong!

'LEADERS ARE EXPOSED AND UNEQUIPPED TO DEAL WITH THE GREATEST LEADERSHIP CHALLENGE OF OUR GENERATION: THE ABILITY TO PROVIDE PURPOSE AND DIRECTION WITHIN A CULTURE OF EMERGENT CHANGE AND RAPID DISRUPTION.'

SOURCE: MOSS, DREW (2018), 'WHY WE NEED CONNECTED LEADERS TO THRIVE IN THE FOURTH INDUSTRIAL REVOLUTION', TRAININGZONE

E V E R Y D A Y C H A L L E N G E S

A day in the life of a leader comprises many management tasks: overseeing work performance, managing improvement initiatives, reporting to stakeholders and juggling a multitude of priorities that never seem to end. It seems to be all about tasks – day in, day out.

Yet additional pressures mount in today's changing landscape – managing team communication and engagement across different time zones, responding to customer demands on diverse offline and online channels, building relationships and influence throughout matrix structures – all while under pressure to perform more, with less.

Add to this the complexity of managing different generations with different expectations. Now the pressure mounts to provide work purpose over a pay cheque: for coaching, collaboration and connection opportunities that make employees feel a part of a bigger vision.

The ability to build trust, engagement and commitment is a critical skill at the leadership level.

EXTENSIVE RESEARCH SHOWS:

- 80% of work-related stress comes from internal team issues;
- 49% of people would rather leave a job than have a conversation to address a workplace issue;
- 91% of participants struggle to give feedback to leaders.

SOURCE: POGSON, FIONA (2015), 'MASTERING THE ART OF HUMAN CONNECTION', PEOPLECORP

T R U S T U S

Paul Zak compared high and low trust in organisations in his book Trust Factor: The Science of Creating High-Performance Companies. Companies with high trust report:

- 74% less stress
- 106% more energy at work
- 50% higher productivity
- 13% less sick days
- 76% more engagement
- 29% more satisfaction with their lives
- 40% less burnout with employees.

Yet our leaders' job descriptions have never been about building trust; they've always been about the doing, not the being of leadership - until now.



Geoff Healy, BHP's chief of external affairs, said in Canberra in 2017 that the disintegration of trust in industry had reached 'a tipping point' and that many Australians perceived business as 'complacent ... and untrustworthy'.

This is why it is not enough now for our leaders to be technically strong – they now need to be able to build trust *within* the organisation, as well as *outside* it.

Trust is critical for your customers and community – just look at the fallout from Australia's banking royal commissions. The Deloitte Trust Index – Banking 2018 survey, published in the *Financial Review*, showed that:

... 59 per cent of customers believe banks have the interests of shareholders at heart, but only one-third say banks always look for new ways to provide better services to customers, and only one in five says banks have customer interests at heart.

It is no longer enough to focus on remediation, action plans and 'mopping up' after a situation has occurred. We must ensure a solid foundation of trust, first and foremost, which will lead to a greater connection with our employees, stakeholders, customers and communities.

We need to master the art of connection.

'IN 2011, THE SOCIETY FOR KNOWLEDGE ECONOMICS RELEASED RESEARCH FROM INTERVIEWS WITH 5661 EMPLOYEES IN 77 AUSTRALIAN ORGANISATIONS. THE FINDINGS DEMONSTRATED THAT THE SINGLE BIGGEST DIFFERENCE IN LEADERSHIP BEHAVIOUR BETWEEN HIGH-AND LOW-PERFORMING WORKPLACES WAS THE TIME SPENT BY LEADERS WITH THEIR TEAM MEMBERS.'

> SOURCE: PAGEUP (2017), 'TOP 60 EMPLOYEE ENGAGEMENT IDEAS FROM THE EXPERTS'

CONNECTINGTHE

So, just what do we mean by 'connection'?

Prolific author and researcher Brené Brown described it as 'the energy that is created between people when they feel seen, heard and valued – when they can give and receive without judgment'.

Numerous studies show that as human beings we are hardwired for connection. In his book *Social: Why Our Brains Are Wired to Connect*, Matthew Lieberman explains, 'Our need to connect is as fundamental as our need for food and water'.

On the flipside, when we experience disconnection, the reaction is as real as physical pain. Cortisol and adrenaline increase in our body, triggering the 'fight' stress response.

This makes us respond to our environment as if it is hostile, like we're out of place. In fact, research by Gallup shows that only two out of 10 American employees strongly agree to having a best friend at work. However, if that ratio increased to six in 10, there would be 36% fewer safety incidents, 7% more engaged customers and 12% higher profit.



B R I D G I N G T H E G A P

Think of the last time you observed your team working together. At some point, some individuals likely stopped engaging with the other team members; you could see their energy drop as they retreated into their shell.

We quite often read this behaviour as our people 'checking out'. We think these individuals are being uncooperative or unreasonable, which leads to counterproductive behaviours on our part – we avoid the person, talk judgmentally about them, and start performance management to try and fix the issue.

This then spirals out of control: employee engagement continues to decline, performance issues become more challenging and the divide gets even larger, often leading to employee resignation or, worse, management firing potential talent.

On the flipside, when we feel a real sense of connection we trigger neurochemicals that make us feel good. Dopamine, oxytocin and endorphins give us a sense of wellbeing; they make us want to engage and work with others; collaboration happens and performance thrives. A study by Gallup revealed that companies with engaged workforces have higher earnings per share and even recovered at a faster rate from the recession. While a longitudinal study, 'What's Love Got to Do with It?: The influence of a culture of companionate love in the long-term care setting' shows that when employees feel free to express affection, tenderness, care and compassion for one another they are more satisfied with their jobs, committed to the organisation and accountable for their efforts.

Overall, when employees are encouraged to connect, communicate and collaborate better, this leads to an increase in productivity, not to mention happiness. This, in turn, has a positive impact on retention and company loyalty.

People who feel connected to their leaders are more likely to remain with their organisations and act in ways that support the overall vision.



'... AMIDST EFFICIENCY, PRODUCTIVITY, AND CAREER ADVANCEMENT, OUR VERY HUMANITY HAS LOST OUT.'

TIM LEBERECHT, AUTHOR OF THE BUSINESS ROMANTIC



A SELFLESS SOLUTION

The ability to connect in our selfie-obsessed society has never been easier – at least online – so we often see the solution to strengthening connection as a technology issue.

We implement online tools like Yammer to try to make us converse and share more. We hold online conferences and 'catch-up' meetings across different time zones. We use social-media tools like LinkedIn to make connecting professionally on the run easier. Many technology enablers are helping us to collaborate more effectively and connect differently.

In reality, though, our one-on-one meetings with our people are really just a mechanism for managing work performance rather than getting to really know each other. We prefer to use email to communicate rather than talking face-to-face or even by phone.

Technology is an enabler, but it is never the solution to a human issue. Research shows us that, even with all of the technology now at our disposal, our connection deficits are increasing rather than decreasing.

In late 2018, Ernst & Young instigated a 'Belonging Barometer'. This study of more than 1000 employees confirmed evidence that exclusion (the inverse of belonging and connecting) is a growing issue, with more than 40% of those surveyed feeling physically and emotionally isolated in the workplace.

Those companies that are voted 'best place to work' or an 'employer of choice' value and foster connection among their teams and organisations. As Sylvia Vorhauser-Smith, senior vice president of research at PageUp People, puts it, these companies are 'meeting the more altruistic and basic human needs of feeling connected and being an important part in something bigger'.

In a nutshell, our people want to feel connected to their leader and they want to work for a leader who values them in return. So it is these relationship-orientated strategies that we must adopt.

As an article in Entrepreneur magazine puts it:

People and not well-oiled machines. It's time for every business leader to stop thinking of them as such.

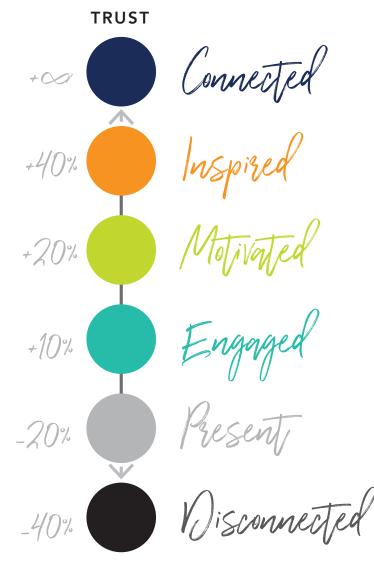
THE CONNECTION DEFICIT 15

'I'VE LEARNED THAT PEOPLE WILL FORGET WHAT YOU SAID, PEOPLE WILL FORGET WHAT YOU DID, BUT PEOPLE WILL NEVER FORGET HOW YOU MADE THEM FEEL.'

MAYA ANGELOU

F R O MD I S C O N N E C T E DT OC O N N E C T E D

Connection is what transforms an organisation from 'everyone for themselves' to one where everyone is rowing in the same direction. That is, a group of disconnected staff to a team of truly connected people, as Figure 1 shows. Figure 1: From disconnected to connected teams



DISTRUST

HIGH-QUALITY CONNECTIONS, MEANING AND PURPOSE FROM LEADERS DRIVE NEW LEVELS OF EFFORT, CREATIVITY, CONFIDENCE, ENGAGEMENT AND PERFORMANCE – AND THAT'S WHAT WE ALL WANT, RIGHT?

SOURCE: CUDDY, AMY ET AL. (2013), 'CONNECT, THEN LEAD', HARVARD BUSINESS REVIEW

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Highly disconnected and disengaged employees don't feel part of anything, have low commitment and are usually only at work to do the bare minimum and collect their pay.

When people feel disconnected – whether from their leader, the people around them, or the work that they are doing – then it is likely that they feel undervalued and unhappy. With no emotional connection to their work, they usually take more sick days and most likely dislike their leader or the people around them. Often, there are performance and behavioural issues, and in extreme cases this can lead to purposely causing harm and disruption to the business. Employees who are present begin to show up prepared to work, but only so far as to get the job done. There is little to no desire to come forward with ideas and suggestions as they likely feel their input is not valued. Why should they care about improving the work or outcomes?

At this level, relationships with the leader and colleagues are transactional and exist only to achieve the work required. This is difficult to lead through: the core work is being achieved, but there is a complete lack of engagement around anything beyond that.

When people are engaged, they feel included, accepted and trusted. They feel valued by their leaders and colleagues, so their level of commitment increases dramatically. There is an openness with these employees, and a desire to communicate and work together for better outcomes.

Engaged teams start working well together, harnessing the collective in the pursuit of solutions that improve outcomes for customers and employees alike. They will understand and adopt the vision, values and purpose of your organisation. They are engaged in both the 'what' and the 'why' of the work. Hearts and minds start to fire together, building passion and capability.



When employees are motivated, their level of commitment to the team, organisation and leader increases further and they have a desire to be more and do more. The level of energy people bring to their work increases because they feel more empowered. They step up performance because they feel motivated to do so.

They are self-motivated because of the level of engagement and connection. They are also driven by their colleagues and leaders around them.

When employees feel inspired they are more creative, more energised and often able to do more than they thought possible. They inspire those around them, which is where we see real breakthroughs.

Inspired employees seek opportunities to better themselves and those around them. They exercise leadership even when not in a formal position of leadership, both because they are inspired to make a difference and because they feel empowered to get on and achieve great things.



Feeling connected is the ultimate human condition. Employees are able to be their best possible self and feel valued and rewarded for this. They feel understood at an individual level and there are clear on the contribution they are making to the performance of the organisation. They love what they do and they connect to each other, their customers, leaders and the organisation in a very human way.

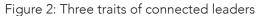
This feeling of connection builds a critical foundation of trust in which employees feel they can have a voice and can make a difference. This is the best possible result for both leaders and employees, teams and organisations.

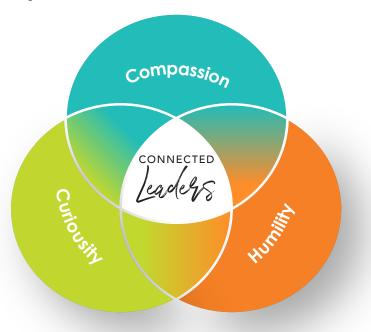
C U L T I V A T I N G C O N N E C T I O N

The ability of leaders to help move people from feeling disconnected to connected is not always easy. It's not a black-andwhite process that we follow in a linear format, and it is certainly not a tick-the-box exercise.

Contrary to popular belief, cultivating real connection is not a 'soft' skill – it's a hard necessity. It takes focus, energy and emotional courage to be consciously connected.

Three traits reveal themselves in inspirational and connected leaders, as shown in Figure 2.





- 1. Curiosity
- 2. Humility
- 2. Compassion



Dr Diane Hamilton talks about the connection between curiosity and human performance in her book *Cracking the Curiosity Code*. She lists the four factors that impact curiosity: Fear, Assumptions, Technology and Environment (FATE).

This fear plays out for leaders regularly. There is a need to have all the answers, to be seem as smart and capable, and to not be vulnerable – all of these impact our curiosity.

Being curious and interested in your people is critical to building strong connections. As a leader, how else do you understand what drives and motivates your people if you are not curious? If you don't invest the time in really getting to know them? Being curious about your people as individuals allows you to coach and motivate them using strategies and tools that are right for them rather than using a one-size-fitsall approach.

This also means that great leaders are much more interested in listening to others than listening to themselves; to learning, to leveraging the talent and different strengths in the team. You simply can't do this if you aren't curious about what your people bring.



'Substantial research shows that humility predicts effective leadership', says Dr Robert Hogan, founder and President of Hogan Assessments.

Humility in leadership allows you to have an accurate perception of your strengths and weaknesses and to understand the needs of others. It allows you to recognise the contribution of others, which in turn means people feel valued.

One of the most thorough pieces of research on humility as a leadership trait was presented in Jim Collin's *Good to Great*. He studied 1500 Fortune 500 companies that literally went from good to great over a 30-year period. His researchers found two distinct characteristics among the leaders of these companies: humility and a steely determination to do the right thing for the company.

In addition, the governor of the Bank of England, Mark Carney, claimed in 2018 that humility is one of four essential leadership traits in this era of disruption. Leaders who exhibit humility listen to their people and invite them to share their ideas and to challenge the status quo in order to improve and grow.

Part of the process of genuinely connecting with your people and being able to be humble is letting go of your own excessive ego, insecurities and concerns about status.



Christina Boedker of the Australian School of Business researched the link between leadership and organisational performance, collecting data from more than 5600 people in 77 organisations. She concluded that out of all the various elements in a business, the ability of a leader to be compassionate, 'to understand people's motivators, hopes and difficulties and to create the right support mechanism to allow people to be as good as they can be', had the greatest correlation with profitability and productivity.

Yet leaders across all fields of work are generally taught to lead with their heads and not with their hearts. Leaders are expected to be strategic, rational, bottom-line business people who focus on results.

Recent research like that conducted by Adam Waytz, empathy researcher and associate professor at Northwestern University's Kellogg School of Management, calls for a different style of leader—one who exhibits kindness, compassion and empathy.

Compassionate leaders are much more open to learning, and seek feedback to grow their leadership. They operate under the knowledge that they don't have all the answers – the people they have around them can enhance their knowledge and learning and hence enable them to lead even more effectively. In his book *It Worked for Me*, Colin Powell, the former US Joint Military Chief of Staff and Secretary of State, reveals the principles that have shaped his life and career. Talking about the skill set needed to be a drill sergeant, he says that the best aim is to instill strength and confidence in their soldiers. While every soldier is taught to fear their drill sergeant, by building that strength through compassion, the sergeant is better able to deliver the tough decisions that they need to make.

Compassion implies an interpersonal closeness that comes with responsibility, vulnerability and an absence of self-interest. There is more than adequate evidence now that leaders who practise this, and where this is valued at work, create workplaces that people want to work in and are also very productive.

Employees feel greater trust with leaders who are compassionate. Harvard Business School's Amy Cuddy and her research partner have shown that leaders who project warmth before establishing their competence are more effective than those who lead with toughness and skill. This is due to the trust that is created with warmth, kindness and compassion.



24 THE CONNECTION DEFICI

PIECING THE PUZZLE TOGETHER

As you've just seen, curiosity, humility and compassion are critical leadership skills to build strong connections with your people, peers, colleagues and communities. This is the foundation on which you unleash high performance.

These essential skills work like pieces of a jigsaw puzzle: individually they start to create a clearer picture, but holistically is where they forge together to make an impact.

It is only when the three pieces of the puzzle are working, and working well, together that the magic starts to happen. Trust is built; strong connections are created.

This is when you move *beyond* just engagement and start to achieve real commitment and results from your people, both internal and external to the business.

When we exercise leadership with curiosity, humility and compassion we allow our people to bring their best self to work – to feel truly valued for what they do and why they do it - only then does performance really thrive.

A B O U T M I C H E L L E



I'm passionate about helping leaders tap into their true potential – in life, as well as work.

As a highly sought-after speaker, trainer, facilitator and coach, I have helped thousands of senior leaders and their teams, learn to show up as the best version of themselves, to build confidence and maximise their leadership and performance by consciously connecting with others.

I worked for 26 years' in senior and executive leadership roles in corporate and financial services, before establishing my own leadership business in 2012. As such, I understand the real challenges and opportunities that leaders in business face every day. Leadership doesn't exist without trust and connection –this takes real work to achieve.

With a love of learning to begin with, I constantly seek to improve my own knowledge, capability and edge in order to add value to my clients. Currently I'm studying Positive Psychology, and I am a past graduate of the Harvard Kennedy School, Executive Education in the Art and Practice of Leadership Development, as well as Women and Power – Leadership in a New World. My book, *The Power of Real Confidence: Learn How To Lead to Your Full Potential*, was published by Major Street Publishing in 2018. In 2016, I was nominated for the Telstra Business Women's Awards.

My clients have said they love my ability to work with people in a human way, bringing authenticity and warmth as much as a hardhitting ability to hold people to account.

I would love to work with your organisation on this critical leadership challenge. Please connect with me.

HOWI CANHELP

Connected Leadership Program

Connected Leadership focuses on what it takes for leaders to truly connect with their people, build trust and go beyond engagement.

We focus on:

Unleashing human potential for high performance

Elevating the capacity of leaders and their teams to thrive

Embracing the whole self to drive results through self and others

The first critical step is to take a deep and holistic look at yourself as a leader; to connect to your purpose and meaning, to know what it takes to show up as your best self and to understand the impact that you have on others. Ultimately, you must build a strong connection to yourself first.

Then the focus turns outward to how you consciously exercise leadership, create meaning and purpose for others, build strong foundations of trust and connection, and unleash energy from your team to maximise performance and get real results.

Details

The program can be run in-house or publicly, as a two-day workshop or paced over a period of six months. Pricing is tailored to your organisation or individual needs.

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