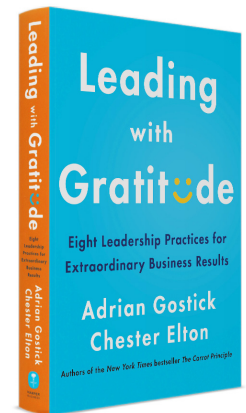


Leading With Gratitude

Eight Leadership Practices for Extraordinary Business Results

by **Adrian Gostick and Chester Elton**



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THE SUMMARY IN BRIEF

Workers want and need to know their work is appreciated. And showing gratitude to employees is the easiest, fastest, most inexpensive way to boost performance. New research shows that gratitude boosts employee engagement, reduces turnover, and leads team members to express more gratitude to one another—strengthening team bonds. Despite these benefits, few executives effectively utilize this simple tool.

What accounts for the staggering chasm between awareness of gratitude's benefits and the failure of so many leaders to do it—or do it well? In ***Leading With Gratitude***, Adrian Gostick and Chester Elton identify the widespread and pernicious myths about managing others that cause leaders to withhold thanks. The authors also introduce eight simple practices that leaders can use to show employees they are valued.

Showing gratitude isn't just about being nice; it's about being smart—really smart—and it's a skill that everyone can easily learn. For those seeking to learn this invaluable skill, ***Leading With Gratitude*** will lead the way.

IN THIS SUMMARY, YOU WILL LEARN:

- To recognize and overcome the gratitude gap.
- Why fear is not a good motivator for employees.
- To assume positive intent and walk in employees' shoes.
- To use expressions of gratitude to reinforce core company values.

The Gratitude Gap

Gratitude is one of the most misunderstood and misapplied tools of management. That's a shame, because it is also one of the single most critical skills for managers to master if they want to enhance their team's performance and develop their leadership credibility.

Research shows that there is a staggering gratitude deficit in the work world. In fact, a recent study found "people are less likely to express gratitude at work than anyplace else."

Meanwhile, 81 percent of working adults say they would work harder if their boss were more grateful for their work, and a whopping 96 percent of men and 94 percent of women acknowledge that a boss who expresses gratitude is more likely to be successful.

Why is there a chasm between knowing that gratitude works and the failure of so many leaders to actually practice it . . . or to do so well? This is called the gratitude gap.

Developing genuine gratitude involves carefully observing what employees are doing, walking in their shoes, developing greater empathy, and sincerely trying to understand the challenges they face. It is about seeing good things happening and then expressing heartfelt appreciation for the right behaviors.

On the flip side, managers who lack gratitude suffer, first and foremost, from a problem of cognition—a failure to perceive how hard their people are trying to do good work—and, if they're encountering problems, what they are. These ungrateful leaders suffer from information deficit.

The Negativity Bias

Another part of the ingratitude explanation lies in fundamental human nature. Research in psychology has shown we have a built-in tendency to give more attention to problems and perceived threats than positive things happening around us. That is dubbed the negativity bias.

In every organization, sources of stress abound. Competitors are nipping at heels, margins are tight, new products are about to be launched (late!), regulators are breathing down their necks, the CEO is new, and so on. How can managers afford not to spend more time on the lookout for and attending to problems than looking for opportunities to be grateful? It's a survival thing.

Fair enough. But this is not a zero-sum issue. Scanning the tundra, if you will, for potential predatorial problems and

devoting considerable time to preempting and/or solving them in no way precludes a leader from paying sufficient attention to the contributions of one's team.

Some leaders think it is necessary to withhold positive sentiments at times in order to keep pressure on team members. "If we keep them on edge, they'll work harder" is the thinking. That mentality is about as valid as a Blockbuster Video free-rental coupon. Pressure like that increases anxiety, and anxiety undermines productivity.

In comparison, research from Robert Emmons of the University of California, Davis, shows that a leader who is more grateful amid difficult circumstances can help people cope. "In the face of demoralization," he explains, "gratitude has the power to energize. In the face of brokenness, gratitude has the power to heal. In the face of despair, gratitude has the power to bring hope."

The Payoffs of Getting It Right

The payoffs of getting this right come not only in boosting performance and morale but in gaining a better understanding of your people, how they are contributing, and frankly, what more they may have to give. Leaders who get this right also identify obstacles that thwart performance and are able to reinforce the right behaviors and fine-tune through positive direction.

A 200,000-person study found that more grateful managers lead teams with higher overall business metrics, including up to two times greater profitability than their peers, an average 20 percent higher customer satisfaction, and significantly higher scores in employee engagement, including vital metrics such as trust and accountability.

There is a more positive, hopeful future out there for us all. No matter where you are starting from, no matter the challenges you face, as you apply these concepts, you will begin to benefit from the transformative power of gratitude.

The Ingratitude Myths (That Are Holding Leaders Back)

Myth: Fear Is the Best Motivator

Fear at work is manifest in a myriad of ways. A manager who lacks confidence can spread fear around a workplace as fast as a funky cologne. He might be intimidated by employees who shine and feel it's necessary to put them in their place, or he may utter such motivating words as "If we

Research shows that what younger workers are really looking for is not praise for praise's sake but guidance.

don't hit our goals next month, I don't know if I can protect you guys." Or "There's a long list of people who'd love your jobs." His employees can then spend their afternoons realizing how lucky they are. Or not.

Another example? While many managers do not consciously try to fan fear's flames, they aren't exactly trying to stamp them out, either. Hey, if their people feel a little extra pressure, then is it really their responsibility to put it to rest? They just have to toughen up. Fear comes along with the paycheck. Whatever doesn't kill you makes you stronger. And so on.

All of this depends on one thing: that fear doesn't tie people up in knots. Which is too often the case. When it comes to our daily work and broader life challenges, fear is most definitely not the best motivator. Not even close. It causes a host of ill effects that undermine the quality of people's work and overall team performance. That's because at the heart of fear is doubt, and in doubt-filled cultures—with people wondering, "Will I be in trouble, get yelled at, be fired?" the constant uncertainty kills motivation, not to mention innovation.

Myth: People Want Way Too Much Praise These Days

Many managers say employees are way too hungry for approval these days. This sentiment has flared up in recent years as millennials and Gen Zs have become the majority of the workforce, bringing with them distinctive expectations about work-life balance, a need for meaning, a penchant for Top Ramen, and a fearlessness to change jobs if they don't like what they find.

Many managers complain that younger generations are immature and needy—often invoking the popular notion that helicopter parenting has made them praise-crazed. They worry if they give out more praise, their workers will get big heads, become overconfident, and start to slack off. And worst of all, they may demand more money.

But research shows that what younger workers are really looking for is not praise for praise's sake but guidance. Clear direction and feedback. They want to know what they're doing that's right and what they're doing that may be off course.

Those who do seek praise often have high self-esteem. For them, gratitude provides clarity about whether the work they are doing is correct, valued by the boss or others, and making a significant contribution to the business.

Rather than seeing younger workers as problem children making demands for praise, consider that they are offering invaluable insight into how managers can better motivate and steer all their people.

Myth: There's Just No Time

Busyness is by far the most common excuse for not expressing gratitude. But practicing gratitude well doesn't take that much time, and the returns in productivity far outweigh those of any other management practice.

Most leaders who subscribe to the Time Myth believe gratitude is nice and all, but their effectiveness is about the hard stuff, not the soft stuff. With the speed of business today, the onslaught of data to be analyzed, and competitive pressures more intense than ever, management is about finding insights and ahas. It's about developing knowledge of the competitive landscape and reporting up what they find. It's about fixing, not thanking.

Yet, competitive pressures make effective people management more critical than ever. Workers leave for competitors more readily today, and turnover is one of the greatest expenses and productivity killers of our day. Conservatively, Deloitte estimates the cost of losing each employee ranges from tens of thousands of dollars to one-and-a-half to two times the employee's annual salary.

Myth: I'm Not Wired to Feel It

Research suggests there are very real differences in brain structure with people who tend to be more or less grateful. One such study found those naturally prone to feeling gratitude have more gray matter, or volume, in the part of the brain linked to interpreting others' intentions. Which means if we have a tendency to believe that the people we meet are helpful and kind, more out to help us than hurt us, then we will naturally be more thankful.

Other studies have suggested that specific genes underlie a naturally more or less grateful disposition. In one study, researchers asked each member of a married couple whether he/she, “thanked my partner for something that I appreciated” each night for a two-week period. Partners with one particular variant of a gene (CD38) thanked their partners more than 70 percent of the days, which is waaaaay more frequent than the population at large.

But genetics and neuroscience have also shown that we are by no means slaves to our predispositions. Our personalities and general temperaments are not set in stone. Brains were once thought to be largely fixed after childhood; scientists now understand our brain structure has been shown to be pliable, or, as neuroscientists say, to have plasticity.

That means it’s no longer good enough to claim “I don’t *do* gratitude.” All of us can choose to practice behaviors that don’t come naturally to us—like hugging in-laws—and by doing so, we can make them more natural.

Myth: I Save My Praise for Those Who Deserve It

Managers who believe the “I save my praise” myth withhold their gratitude because they harbor a fundamental disrespect for some types of work and some workers. To these folks, everyone is just a number.

As the television show *Undercover Boss* showcased, the value being added by many people on a manager’s own team and in support functions around the company is often overlooked or discounted. Whole departments are commonly left out when it comes to who gets credit for success. In a sales-driven company, for example, there may be little appreciation for the people in, say, billing, even though without them sales are not fully made.

It’s likewise uncommon in an operations-focused organization, such as a construction company, to see people in marketing rewarded, for example, even though they do a lot to burnish the brand and help land the big deal everyone is working on.

As for the so-called basic support jobs, *Undercover Boss* shows how freakin’ hard such work can be, not to mention how important the jobs are to actual customers. As that realization dawns on the executives—who are struggling to make a pizza to specifications in just minutes or sorting recycling for an eight-hour shift all while wearing a fake beard and Mr. Magoo’s spectacles—they are not only humbled but filled with gratitude for the talent and fortitude so many unsung heroes bring to their jobs day-in and day-out.

Myth: It’s All About the Benjamins

Many bosses believe the only truly meaningful expression of gratitude they could offer is padding employees’ wallets with raises and bonuses. This is a tricky issue, because money absolutely matters—it’s what separates us from the animals. . . that and hats. So it’s vital to pay people appropriately.

That being said, there is usually only so much money to go around. While gratitude is not a zero-sum game, by contrast, compensation almost always is. If someone gets a big raise, then others on the team usually are balanced out with less. And those decisions can be extremely hard for a leader.

Using monetary rewards alone does not motivate people—at least not for long—and it can even backfire. Focus on monetary rewards alone can create a mercenary environment in which people will leave for a little more at the drop of a hat. Some of the highest-paying companies have insane turnover rates.

Another reason monetary rewards usually don’t pack a punch of deeply felt gratitude: The rewards are few and far between and often come during annual reviews, so they are seen as a matter of management process rather than an expression of sincere gratitude for valued work.

Myth: They’ll Think I’m Bogus

“How can I just come in one day and be this new person—handing out gratitude right and left?” If a boss has been so busy that he’s been heads-down, holed up in his office all the time or constantly away in meetings and then all of a sudden shows up by their desks patting their backs and giving out thanks like cigars from a new father, who wouldn’t wonder what’s going on?

Unless there is a complete lack of trust in a team (which is rare), managers can be confident that employees will appreciate a change of this kind, no matter how neglectful or hard-nosed they’ve acted in the past. Humans are generally supportive of other people’s efforts to make positive changes in behavior, especially if it benefits them.

Worrying about how we’ll be perceived as we go through a transformation like this is part of the human condition; it’s woven into the fabric of our being. But the irony is that when we’re trying to control how others see us, that’s when we usually come across as inauthentic. We also cut ourselves off from important insights into how we’re actually being perceived.

If leaders could see themselves on film, tracking the way their teams see them, many of them would be stunned.

It would not be a leap to realize that, clearly, their team members would be receptive to a change, even if it doesn't at first seem the most natural thing in the world.

The Eight Most Powerful Gratitude Practices

Let's now discuss the eight most effective approaches for showing gratitude. As managers adopt these behaviors, their people find them authentic and motivating—and there's usually a corresponding uptick in morale and engagement.

These concepts are grouped into two categories: seeing and expressing. Seeing involves ways leaders can ensure they'll spot great work being done, and expressing covers the best ways managers voice and show their thanks. Let's start with the practices involved in seeing.

Solicit and Act on Input

Henry David Thoreau may have been speaking up for employees when he wrote, "The greatest compliment anyone gave me was when they asked me for my opinion and then attended to my answer."

The advice to actively solicit input from employees is not new, but managers rarely do it. Even more rare is to see them follow through on suggestions. Let's face it, many ideas won't be viable, and yes, some people might get upset if their contributions aren't acted upon if you don't explain why. But openly discussing with them the reasons their ideas are not feasible and conveying authentic appreciation for the input assures them you've given thoughtful consideration.

Here are some guidelines for getting this right. One of the first suggestions is to avoid the "over-ask"—expecting too much from employees with questions out of their purview (e.g., "How can we solve our pricing problems?") Only a few people in your entire organization would have ideas about solving something so complex, and that kind of ask might make people feel diminished.

Another guideline: Make sure the "specificity fits," so that you ask the right question to the right people in the right way. For instance, "How can we reduce fuel consumption while we are making deliveries?" is a question focused to solicit ideas to cut gasoline costs from anyone even remotely involved in the process of sending your goods out the door.

Every day workers will face challenges in their work, and each of those problems can spark ideas for improvements.

The best leaders harvest those ideas to enhance performance. At Amazon, for instance, the company's intranet features an online suggestion box for employees to propose anything they think will make the company better, which is how free shipping was first suggested by software engineer Charlie Ward. That idea emerged in the insanely popular Prime program.

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Assume Positive Intent

Let's accept that all of us can do some pretty boneheaded things now and then. But the vast majority of people do care about their work and are trying to do a good job. Almost no one clocks in wanting to fail. All too frequently employee performance is hampered by a key set of factors largely out of their control, such as the lack of proper tools, thorough training, and clear direction, which might be due to changing priorities or confusing explanations on the part of the leader.

Indra Nooyi, retired chairman and CEO of PepsiCo, said, when asked for the most important leadership advice she had been given: "Whatever anybody says or does, assume positive intent. When you follow this advice, your whole approach to a person or problem becomes very different."

It can be upsetting and even outright infuriating to hear that something's been screwed up. To keep your cool and get the information you need, coach yourself to follow these steps. First, instead of firing off a rushed text or email, pick up the phone or go see the person (if at all possible)—forcing yourself to speak voice-to-voice to those involved to get to the bottom of the conflict, not to assign blame but to understand the thought process on the issue.

Second, take the time necessary to gather all the facts before making any decisions or conclusions. Often your direction will change as you realize your first assumptions weren't correct. Third, take a forward-looking approach. Instead of asking, "Why did you do that?" you might ask,

“What could we do differently in the future when faced with this situation?”

And fourth, pay close attention to all communication about the issue to avoid passive-aggressive language and set a positive tone.

Walk in Their Shoes

Many leaders know little about the challenges their people are wrestling with in their daily work. In part that’s because they’ve never done their jobs themselves, but it’s also because they don’t take the time to ask about the difficulties their team members may be encountering.

Leaders who develop empathy for others are great enablers of authentic gratitude. While empathy is often seen as a mental exercise—imagining how someone is feeling—the best way to be truly empathetic is to roll up your sleeves and actually walk in their shoes.

As leaders interact with employees in this way, they can observe carefully and ask how things are really going—taking away layers of hierarchy until they are literally face-to-face with employees in their natural habitat.

If a leader doesn’t have the kind of time to literally step into people’s jobs, the good news is there are many other ways to get the insights they need. Coaching yourself to regularly ask people about how they’re approaching their work and for them to share some recent accomplishment can bring you into their world in a much more revealing way.

To get the scoop on the important things they are doing, consider watching them for a while. Sometimes leaders may hang around and watch employees going about their work, which can lead them to notice aspects of excellence they may not have been aware of. These are not only opportunities for gratitude, but the tips learned may also be shared with others around the organization. Explain that you’re going to be taking some time to observe them because you want to understand better what they are dealing with and how you can be more helpful.

Look for Small Wins

Harvard Business School professor Teresa Amabile and writer Steven Kramer conducted extensive research on creative breakthroughs in organizations. They found, “Of all the things that can boost emotions, motivation, and perceptions during a workday, the single most important is making progress in meaningful work. And the more frequently people experience that sense of progress, the more likely

they are to be creatively productive in the long run.”

Great executives notice and express appreciation for small-scale efforts as much as they celebrate major achievements. They look for incremental wins every day that they can acknowledge. This allows them to find ways to inspire all their people to stretch and grow. Here are some simple ways to elicit the help of others in spotting them:

- Ask team members to give shout-outs to each other.
- Ask team members to toot their own horns.
- Set and then reward achievement of daily, weekly, or 30-day goals.
- Spotlight those who speak up and offer ideas.
- Recognize those who find new productivity hacks.
- Thank those who find solutions to resolve conflicts.
- Make great use of anniversaries.

Let’s now discuss the practices involved in expressing gratitude.

Give It Now, Give It Often, Don’t Be Afraid

Like ripe bananas, gratitude does not keep. The closer to an achievement a leader expresses her appreciation, the better. Too many leaders figure they’ll stockpile their praise and share it all at once, maybe in a quarterly one-on-one, or even all the way at the end of the year in a performance review.

Some managers have also said that they believe discussing accomplishments during performance reviews is a more formal, and therefore more meaningful, approach to gratitude. Performance appraisals can certainly be effective, providing valuable evidence-based assessments of employee results, as well as setting concrete individual development goals.

One much-discussed problem with the annual review is that sometimes it is overly weighted toward criticism and can feel punitive to the employee. Even well-intended reviews can cause intense employee resentment if they are not tempered by frequent positive reinforcement throughout the rest of the year.

The infrequent formal feedback process leaves so many day-to-day achievements unacknowledged. That wastes golden opportunities to provide immediate positive reinforcement of the behaviors a leader is looking for, day in and day out.

Surveys from Gallup show members of the most engaged teams report feeling some form of acknowledgment of their

Gratitude offers an opportunity to put the flesh of specificity on the bones of core values.

contributions from their leader or fellow teammates about once every seven days. If you don't have your calculator with you, that's 35 times a year for each person you manage, or about once every week to two weeks.

Even with large teams, there are many ways to ensure people receive frequent expressions of appreciation for jobs well done, if not from you then from their immediate colleagues. Key for a leader is to set the pace and explicitly ask everyone on the team to help out.

Tailor to the Individual

More than 75,000 people have taken the Motivators Assessment, which highlighted that each person on this planet has a unique combination of what drives him/her on the job. The assessment revealed 23 workplace motivators: autonomy, challenge, creativity, developing others, empathy, excelling, excitement, family, friendship, fun, impact, learning, money, ownership, pressure, prestige, problem solving, purpose, recognition, service, social responsibility, teamwork, and variety.

The nuances in a person's specific nature show up not only in which of these are most important to him or her but also in the particular order of priority—from one to 23. Some people working in the same jobs might be especially jazzed by collaborating with a team, while others are more driven to learn something new by themselves, and yet others want to help their colleagues develop their own talents.

Smart leaders use that knowledge of individual motivators to tailor expressions of gratitude to each team member. For instance, someone driven by concepts such as autonomy and excelling might feel best recognized when given a chance to work independently on an important project.

When it comes to expressions of gratitude, a generic "thank-you" isn't anywhere near as good as a custom offering. Brad White will never forget receiving a personalized reward on his 10-year work anniversary as vice president of sales at AddVenture Products in San Diego. The company's owner, Alan Davis, presented his salesman with two baseballs autographed by White's favorite player, former Major

League Baseball star Rickey Henderson.

"I stood in front of the entire company accepting this gift, completely awestruck, honored, shocked, grateful, and thrilled," White said. "The value of having an employer who truly cares for you, who knows who you are as a person, and who goes the extra mile to show their appreciation, that value can't be measured."

Reinforce Core Values

A common theme among leaders interviewed is that expressions of gratitude should be connected to behaviors that are in line with the company or team core values. Appreciation is a powerful way to reinforce the importance of those vital principles.

Showing gratitude is one of the most effective and memorable ways to reinforce leadership's commitment to values and offers powerful opportunities to communicate why these grand ideals are so important—not to mention what can go wrong if they aren't demonstrated. Gratitude offers an opportunity to put the flesh of specificity on the bones of core values.

One laundry employee at a hotel chain was rewarded for living the firm's value of integrity. She had found a large bundle of cash stuffed in a guest's pillowcase that had come down to the laundry for cleaning. She rushed to her manager's office, burst in, and reported the finding.

The manager happened to be in with an upset guest at the time. It seemed the man had lost a sum of money in his room. Long story short, the cash and guest were reunited, and the laundry employee was recognized for her integrity in front of the entire hotel staff.

What a terrific learning moment it was as the manager said in his expression of public gratitude: "Integrity is essential. If our guests can't trust the hotel, they won't stay here—it's that simple."

When gratitude is consistently and meaningfully given to those who live the values, team members become your greatest advocates. A host of positive employee comments about an organization and culture on social media and

career websites is priceless—helping recruiting efforts and building a brand as a top choice for candidates.

Some important tips for tying gratitude to team or organizational values include kicking off the process pre-hire, asking the team to tie appreciation to values, and conducting rituals that provide opportunities to live the values.

Make It Peer to Peer

When employees are grateful to each other, they affirm positive, vital concepts typically valued in their colleagues such as trustworthiness, dependability, and talent. Peer-to-peer gratitude is particularly powerful because it comes from the people who are most respected—their fellow team members. And this can have an invigorating effect on organizations overall.

Leaders can make use of online systems or apps that have been developed to facilitate team-based gratitude. They're called social recognition systems. These systems can help build bonds outside of immediate teams, break down silos, and help workers in different locations feel more connected to one another.

At JetBlue, which has been named by J.D. Power as the highest in customer satisfaction among low-cost carriers for 11 years running, co-workers can nominate other crew members for everyday contributions as well as above-and-beyond work or effort, through a program called Lift. Successes are shared throughout the company on an internal newsfeed.

JetBlue data shows that for every 10 percent increase in people reporting being recognized, it sees a 3 percent increase in employee retention and a 2 percent increase in engagement.

Another great use of freely available online technology is posting complimentary videos of one of your fellow star employees on YouTube or the company intranet.

Because so much communication is online nowadays, handwritten notes can also be one of the most meaningful forms of gratitude. Taking the time to write with a pen boosts the gratitude factor by a ton.

Author Brené Brown has said, “In my 12 years of research on 11 thousand pieces of data, I did not interview one person who had described themselves as joyful who did not actively practice gratitude. “It’s not joy that makes us grateful,” she sums up, “it’s gratitude that makes us joyful.”

Start small. Start today. Choose just a few of the practices to focus on for a beginning.

You’ll see out-of-this-world results.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

- *The Levity Effect: Why It Pays to Lighten Up* by Adrian Gostick and Scott Christopher
- *Building the Best: 8 Proven Leadership Principles to Elevate Others to Success* by John Eades



Adrian Gostick is the co-founder of The Culture Works, a global firm focused on helping organizations attract, develop, and retain great people. He is the co-author of such books as *The Carrot Principle*, *The Best Team Wins*, and *All In*, which have been *New York Times* and number-one *Wall Street Journal* best-sellers. His works have been translated into more than 30 languages and have sold 1.5 million copies around the world. Chester Elton is co-founder of The Culture Works, and more than 700,000 people follow his work on LinkedIn. He has been called the “apostle of appreciation” by Canada’s *Globe and Mail*, “creative and refreshing” by the *New York Times*, and a “must read for modern managers” by CNN.

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