The ROI of Approachable Leaders

4 Simple Tools to Solve the Toughest Management Challenges of 2016

Approachable Leadership®

Executive Summary

1 Leaders today struggle with **four major challenges** that cost companies billions of dollars each year – what we call the "Four Horsemen" of the 2016 economy.

2 New research shows just **one leader behavior – approachability –** substantially improves these 4 areas.

3 There are **4 simple tools** your leaders can start using today that will improve their approachability and solve these challenges.

The "Four Horsemen" of Managing in the 2016 Economy

Cooperation Gap
Low Compliance, Lack of "Grit" and Easily Give Up on (or Sabotage) Change Efforts

Enthusiasm Gap
Low Engagement, Little "Above and Beyond" Behavior, No Growth Mindset

Talent Gap
We Struggle to Attract and Retain Great Talent, Turnover Costs Us Time, Money and Opportunity

Workplace Stress
Burnout, Work is Frustrating, Personal Distractions

Meet Three Leaders Struggling with the "Four Horsemen"

Tim is the HR Director for a large manufacturing firm. His company is under huge competitive pressure. The operators Tim supports want skilled leaders but have few resources to train them.

> I'll cut to the chase. Our leaders struggle and really need to up their skills. But if this is going to fly at my company I have to make the business case. And it better start on page 1, or nobody will get to page 2.

Amy is the Administrator for a mid-sized long term care facility. She works hard to develop leaders but often struggles to convince her leadership to invest in training and development.

> Our leaders are stressed and under constant pressure to do more with less. As reimbursements get slashed we struggle with staffing, schedules, and the pressure of delivering high quality care. Our leaders need tools to cope.

Ron runs a retail warehouse with over 100 managers. Ron thinks most training is a waste, but he knows leaders who do the right things get the numbers and have fewer problems.

> We move fast. That's not changing any time soon. Our scale means we are constantly moving new leaders on and off the team. Our challenge is providing 'just in time' tools that support leaders and those they lead.

The Problem

Indifference, No Follow Through, Turnover, Stress: The "Four Horsemen" Killing Companies Today

Does this sound like your company?
This report is for you.

The economic pressures Tim describes below converge into four critical business challenges – what we call the Four Horsemen of the 2016 economy:

> " I'm at the end of my rope. My leaders are under huge pressure to cut, cut, and then cut some more. Do more with less. And it's getting worse.
>
> Can a computer or a robot do it? Can China or another emerging economy do it? They will. New technologies like 3-D printing, self-driving vehicles, and the "Internet of Things" are forever changing the skills leaders need. And we devote no time or resources to arm our leaders with those skills. "

Cooperation Gap
Attempts at change fail. Employees don't try or give up at the first sign of friction. Some don't care; others figure they know best and ignore anything new. Bottom line: you are running in place.

Enthusiasm Gap
Lack of engagement. Employees show up late, leave early and give minimal effort. There is no creativity – no interest in helping out or making things better.

Talent Gap
Your high potential employees and leaders leave for "greener pastures" along with all you invest in recruiting and training them. You lose talent, production, and spend a bundle to replace them.

Workplace Stress
Everyone is burned out. Small roadblocks cause a meltdown. People are distracted. Personal problems show up. Accidents happen. Employees take it out on customers or each other.
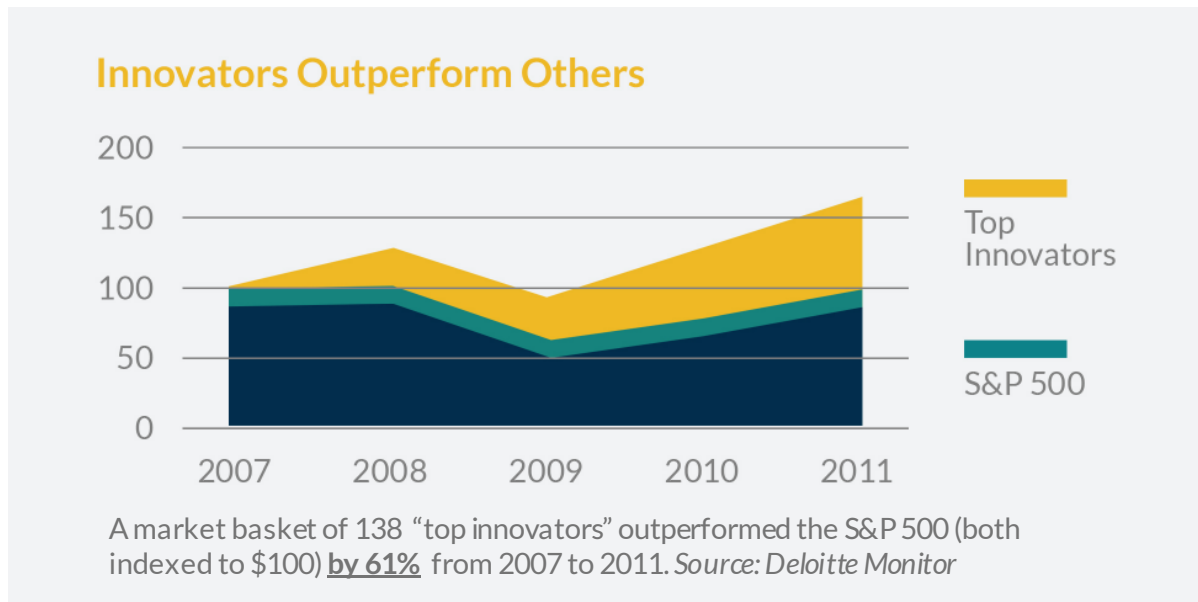
The Costs

How The "Four Horsemen" Destroy Productivity, Morale, and Your Bottom Line

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The Costs Cooperation Gap

Companies with high levels of cooperation **successfully implement change**, quickly adopt innovations, and increase worker productivity.

Innovators Outperform Others

A market basket of 138 "top innovators" outperformed the S&P 500 (both indexed to $100) **by 61%** from 2007 to 2011. *Source: Deloitte Monitor*

Only 25% of change projects are successful in the long run.

83% of mergers produce no added value; **53% actually destroy value**.

Approximately 75% of Enterprise Planning implementations fail – of those **37% cite difficulties with staff adopting new process**.

Innovators enjoy 3 times greater market share, 6 times greater sales, and 50% better margins.

Innovation leaders enjoy 10% higher EBIT than laggards, and the gap widens to 1/3 more after 8 years.

> People frustrated with their leaders won't try new things or help us improve. They give up easily. That's a recipe for disaster.

The Costs Enthusiasm Gap

Enthusiasm inspires people and feeds engagement. Unfortunately, **we are in the middle of a disengagement epidemic.**

US Employee Disengagement

29% Engaged

26% Actively Disengaged

45% Disengaged

Source: Gallup
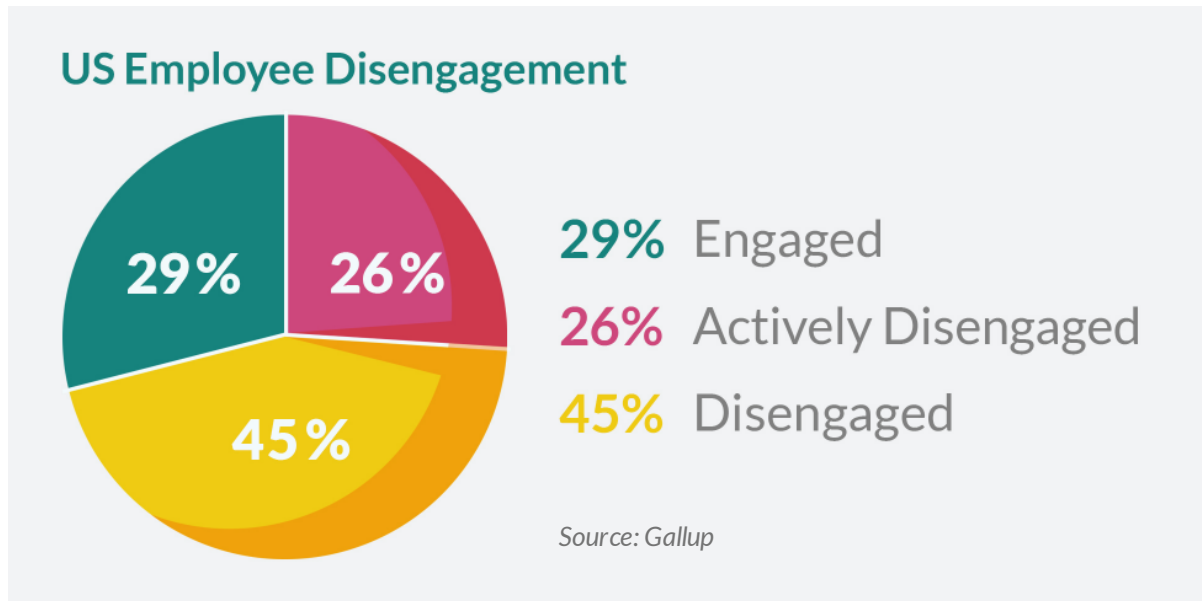
71% of US employees are disengaged – 26% of them are **actively disengaged**.

US workers waste nearly **$15 billion annually** playing games and surfing social media sites.

Gallup estimates the total cost of actively disengaged employees in the US is between **$450 and $550 billion annually**.

Companies with the most engaged workers are **202% more profitable** than the least engaged.

> These cost-of-disengagement statistics hit me like a gut punch. In the healthcare industry a lack of enthusiasm doesn't just cost us money – it impacts patient care.

The Costs Talent Gap

As businesses become more and more automated
we rely on fewer people to do more complex tasks.
Welcome to the new talent crisis.

What Does Turnover Cost?

TOTAL	**$1,296,000**
2 @ $120K	**$720,000**
4 @ $80K	**$480,000**
6 @ $40K	**$96,000**
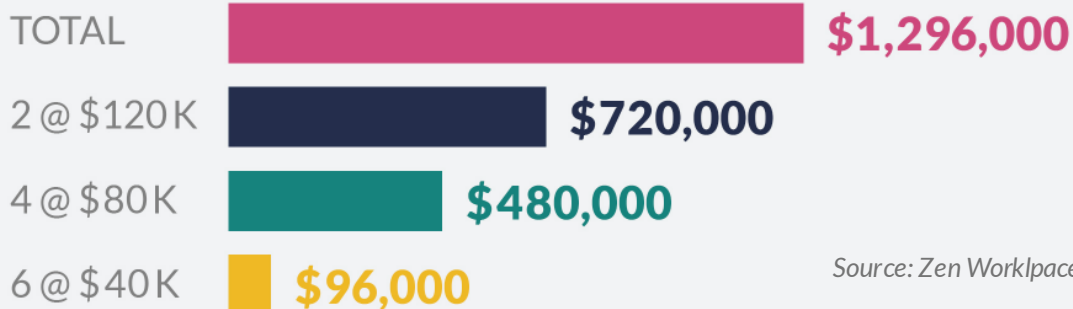
Source: Zen Worklpace

This 120-person company has lower than average (10%) annual turnover. Six $40K per year employees quit, at a replacement cost of 40% of annual salary. Four $80K employees quit at a cost of 150%. Two highly skilled $120K employees quit at a cost of 300%. Total turnover costs for this small company? **$1.3 million per year.**

Your top talent – the ones you need most – have options and will leave. **Nearly 20% of US workers** will voluntarily quit their job this year.

Turnover is expensive. It costs 16% to **over 300% of annual salary** (for the highly skilled –the ones most likely to leave) to find new talent.

Companies lose productivity, relationships, and intellectual property. Critical activities stall and die while searching for talent.

Employee turnover annually costs US companies **over $11 billion** in wasted money, effort, and lost opportunity.

> "
> You know what's frustrating? Laying people off
> in one area and still having ops leaders breathing
> down my neck to fill open positions in another.
> "

The Costs Workplace Stress

Workplace stress costs companies **over $300 billion** each year in increased medical costs and lost time.
Stress is killing our businesses... and us.

Causes of Workplace Stress

6% Job Insecurity

20% Work-Life Balance

28% People Issues

46% Workload

Source: American Institute of Stress
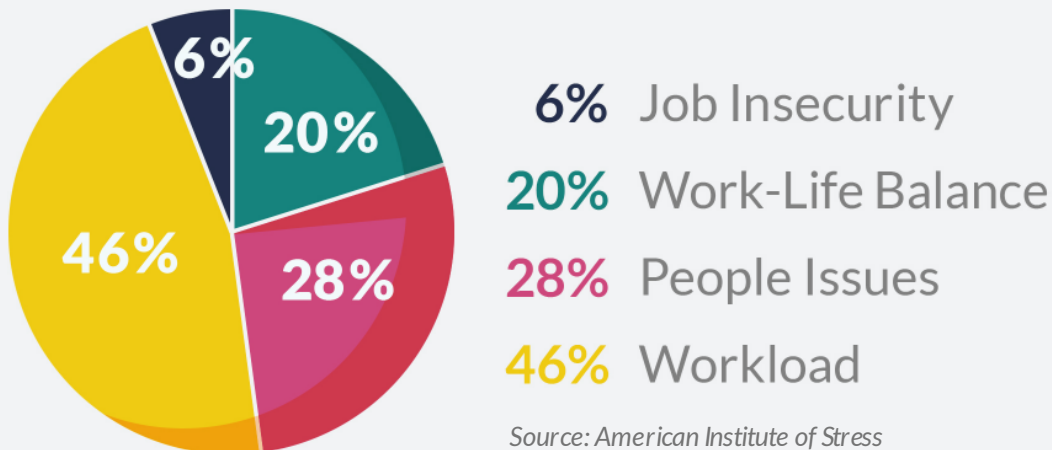
Nearly 30% of workers fall asleep or become extremely fatigued at work each month.

77% of people report some physical problem and **73% report psychological issues** related to stress at work.

33% of workers complain of "extreme stress" and 48% report that their stress has increased over the last 4 years.

10% of workers report working in an environment where physical violence has occurred – **42% report yelling and other verbal abuse**.

" I hate admitting this, but every time I see breaking news on workplace violence I wonder for a second if it's us. "

The Case for Approachability

How Approachability Increases Enthusiasm and Cooperation, Reduces Turnover, and Makes Work Rewarding

Approachability Gets Results

Cooperation & Stress

Approachable leaders (and their employees) experience less stress. Their work is more rewarding. **Approachability is the elusive "one thing" that predicts enthusiasm, cooperation, and commitment.**

89%

Employees of Approachable Leaders are happy and less stressed at work

Source: University of Tulsa, 2015

In this 2015 study employees who rate their supervisor "approachable" are **89% more likely** to report satisfaction with their work. They report better relationships with coworkers. Plus they are more willing to go "above and beyond."

> When our people get along it seems like nothing can stop us. But other times it feels like the simplest things bring us to a grinding halt. I know our leaders set the tone, but this really proves it.

Approachability Gets Results

Enthusiasm

People who rate their manager approachable are **88% more likely** to make suggestions or volunteer to pitch in outside their normal job. Behaviors like this improve cooperation, drive innovation and deliver business results.

 88%

Approachability predicts "above and beyond" behavior more than all other factors

Source: Journal of Management Development, 2005

One surprising finding: **approachability trumps other leader competencies**. Nearly 10% of these employees had a low opinion of their supervisor. They went "above and beyond" anyway. The difference between these folks and those who let their frustration keep them on the sideline? These employees still felt their leader was approachable.

> " We are in the middle of a lean transformation. That means a ton of change. We also count on our people to suggest ways to improve efficiency. This research really shows how our leaders can make or break our lean efforts. "

Approachability Gets Results

"People don't quit jobs, they quit their bosses"

Turnover

People who like their manager and are enthusiastic about their work don't quit. **It's that simple**. Not surprisingly, people who rate their supervisor approachable are very unlikely to consider leaving.

72%

**Employees of Approachable Leaders
do not intend to quit their jobs**

Source: University of Tulsa, 2015

Turnover wastes precious time, money and energy. It frustrates everyone who has to pick up the slack (especially your high performers, who you can least afford to lose). **Approachable leaders put a stop to that vicious cycle.**

> I live this story every day. Our place is a revolving door. It makes me sick to see some of the people we've invested so much time and money in walk out the door. I do see how investing in our leaders could help stem that tide.

Approachability is Trainable

There are **thousands** of things you can teach leaders. Trustworthiness, charisma, and leader-employee exchange (to name just three) are all well-researched leader behaviors associated with positive business results.

While these behaviors are desirable, **they are hard to train.** How do you reliably train someone to be more trustworthy? Or more charismatic?

Training "soft skill" basics (dealing with team dysfunction, conversation skills) are very useful, but fail to get at the **fundamental behaviors that reinforce strong leader relationships**.

Approachable Leadership solves this problem. Approachability is simpler to teach. It is accessible, quickly understood, and easy to observe and practice. This makes it the **ideal leader behavior** to train.

Approachable Leadership Learning System

Approachable Leadership Keynote

Approachable Leadership Learning System
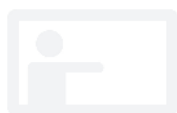
Approachable Leadership Workshop

60-Day Approachability On-RAMP

4 Simple Tools to Increase Approachability

How You Can Begin Teaching Approachable Leadership Behaviors To Your Leaders Today.

AL Approachable Leadership®

Tool 1:
The Approachability Window

Many are slow to trust people in power. This is called a "power distance gap."

Approachable Leaders shrink the gap by creating a safe, welcoming space. One simple tool to do that is to open your Approachability Window.

The Approachable Leadership Workshop develops awareness, skills, and habits using simple tools. In **the "Approachability Window" activity** learners experience how creating the "right space" has impacted their own career.

A full-sized version of this tool is at the end of this eBook.

Tool 2:
Recognizing Approachability

What do you think of when you hear the words *approachable* or *unapproachable*? Do any behaviors leap to mind?

A big part of becoming a more Approachable Leader is to get skilled at recognizing approachable (and unapproachable) behavior in yourself and others. This takes practice.

The Approachable Leadership Workshop focuses heavily on **"out of your chair"** opportunities to practice. During the always entertaining **"Just Right" exercise** learners practice approachable and unapproachable behavior with their peers. Yeah, it's fun.

A full-sized version of this tool is at the end of this eBook.

Tool 3:
Ask Better Questions

"A more beautiful answer to he who asks a more beautiful question."

We ask a lot of questions in the Approachable Leadership Workshop. Leaders learn the *3 Questions* of Approachable Leaders. They also learn the power of *Solution-Focused Questions* (versus *Problem-Focused* ones).

During the Approachable Leadership Workshop learners get multiple opportunities to practice using the **3 Questions** and **Solution-Focused Questions**. This builds confidence, increasing the likelihood they will to start using these questions when they walk out the door.

A full-sized version of this tool is at the end of this eBook.

Tool 4:
Follow Up – Follow Through

Follow up and follow through are must-have skills for leaders. That's why *Right Action* is the most important part of the Approachable Leadership Model.

During the 30-Day Challenge leaders commit to using at least one Follow Up Tool and one Follow Up Rule to ensure they make progress. The *One-on-One Agenda* is a good Follow Up Tool.

During the conclusion of the Approachable Leadership Workshop we ask learners to identify their key takeaway from the course. The **practical tips and strategies** they learn during the Follow Up and Follow Through section always come up.

A full-sized version of this tool is at the end of this eBook.

Take Action

What's The Next Step On Your Approachable Leadership Journey?

Take Action What's Next?

Wrestling with <u>your</u> enthusiasm, cooperation, and talent gaps?

Is work stress at a boiling point?

Can Approachable Leadership help?

Take advantage of our **<u>FREE</u>** *30-Minute Approachability Audit.* During this fast-paced, no-nonsense call you will learn:

What do the "4 Horsemen" cost your company today?
We use *your* numbers to quickly estimate what turnover, lack of enthusiasm, cooperation and stress cost your company today.

Do your leaders suffer from an Approachability Gap?
Use our **<u>simple test</u>** to decide whether your leaders are approachable – or not. Learn **<u>four specific strategies to close the gap</u>**.

How do you deal with "toxic" leaders?
Just one can tank your company. But you can quickly and easily correct problems - **<u>if you avoid this critical misstep</u>**. This one move alone transforms most work environments.

Call 800-888-9115 to schedule your FREE Approachability Audit today.

Approachable Leadership Learning System

Approachable Leadership Keynote

Introduces Key Concepts
High Impact, 90-Minutes

Approachable Leadership Workshop
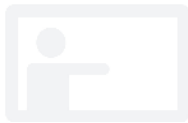
Immersive, Experiential, Practical
Half-day, Interactive, Tool-Focused

60-Day Approachability On-RAMP

Transfers Key Learning
Builds Leadership Habits

Approachable Leadership Learning System

Additional Skill Development

13 Modules. Applies Approachability to Day-to-Day Leadership Situations

Call 800-888-9115 to learn how the Approachable Leadership Learning System can help your leaders.

Approachable Leadership is a division of the Labor Relations Institute established in 1978. Our firm has helped improve relationships between managers and their employees in over 10,000 companies. We are one of the most successful and fastest growing leadership consultancies in the country (we've made the Inc. 5000 list multiple times).

The Approachable Leadership team has proven it can transform leaders again and again in the toughest situations. Today our focus is on improving leaders in all companies – hopefully even yours.

Phillip Wilson

Phillip B. Wilson, is Chief Evangelist of Approachable Leadership. Phil is a national expert on leadership, labor relations and creating positive workplaces. He is regularly featured in the business media including Fox Business News, Bloomberg News, HR Magazine, and the New York Times.

Wilson is President of the Labor Relations Institute. Before that he practiced labor and employment law and was a Director of HR for a 1200 employee gaming company. He is the author of numerous books and articles, including *Left of Boom: Putting Proactive Engagement to Work* (reached #2 on the Amazon.com Hot HR Books) and the forthcoming A*pproachable Leadership*.

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Approachability Window Tool

Many are slow to trust people in power. This creates a "power distance gap." Approachable leaders use the *Approachability Window Tool* to shrink the gap.

Tool in Brief
Approachability Window

The goal of this tool is to improve relationships by revealing more about yourself and seeking feedback. When you don't seek feedback you create blind spots. When you don't share with others, you close them out. This may cause them to withdraw.

Approachability Window

Ask for feedback

Share with others

Blind Spots

Hidden Area

Tips to Encourage Feedback

1. **Encourage feedback.** Sincerely ask for input.
2. **Stop/Start.** What should I start doing? What should I stop doing?
3. **Stress the value of the feedback.** Why is it important? Why is this person uniquely able to provide it?
4. **LISTEN!** Use our *Active Listening Tool* to make sure you do a good job of listening. This by itself encourages feedback.
5. **Don't be defensive!** Accept the feedback, be open-minded and reflect on it. Thank them – it's a gift!

Tips to Grow Relationships

1. **Take your time** – sharing too much too soon can be worse than not sharing. Go slow.
2. **Ask questions.** Don't interrogate but show interest and learn as much as you can.
3. When you share with someone **mention the relationship** – "I don't tell everyone this, but we are close so I'll tell you…"
4. **Be empathetic** (don't one-up, offer unsolicited advice, etc.) Use our *Empathy Toolkit.*
5. **Don't share secrets.**
6. **Acknowledge and appreciate** if they reveal something new.

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Recognize Approachability Tool

During the Workshop we practice acting "Just Right" and learn to recognize approachable (and unapproachable) behavior. This tool continues building this skill.

The Connection Model

low connection

Be Open right space

Understand right feeling

Support right action

HIGH CONNECTION

Right Space

- ☐ <u>Physical space:</u> Welcoming? Inviting? Open door? Comfortable place to sit?
- ☐ <u>Warmth:</u> Genuinely glad? Appropriate touch? Eye contact? Body language?

- ☐ <u>Availability:</u> Make time to meet? Walk around to others' space? Keep appointments?
- ☐ <u>Present:</u> Limit distractions? Single tasking? Sole focus on the individual?

Right Feeling

- ☐ <u>Stop:</u> Full stop. Eliminate distractions. Reschedule if not able to give complete attention.
- ☐ <u>Listen:</u> Use *Active Listening* Tool. Show you are listening, provide nonjudgmental feedback.

- ☐ <u>Confirm understanding:</u> You feel [emotion] because of [reason]. Do I have that right?
- ☐ <u>Gestalt mindset:</u> Empathy. No advice. Share experience of similar emotion (don't "one-up").

Right Action

- ☐ <u>Solution-focused questions:</u> How do we solve? Who can help? What's our goal?
- ☐ <u>Follow up tool:</u> Use *Right Action* Tool. Inbox always with you. Routinely empty. Schedule.

- ☐ <u>Follow up rule:</u> Touch only once. Do it now. Return calls and emails on schedule.
- ☐ <u>Get help:</u> Accountability partner. Reminder if not back when promised.

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The 3 Questions Tool

During the Workshop we learn the 3 Questions of Approachable Leaders. Those are a starting point. This tool helps you adapt the 3 Questions to <u>your</u> workplace.

CHECKING IN

The Three Questions (and their assumptions)

Do you have what you need? *Nobody wakes up hoping to do a crappy job.*

What would make work better? *My job as a leader is to reduce friction.*

Where are you going? *People want to make progress.*

TOOL IN PRACTICE

Do you have what you need?

Other ways to ask:
- ❑ How's it going?
- ❑ You need anything?
- ❑ Everything good?
- ❑ You're crushing it today!
- ❑ How am I doing?

This is the resource question. Can you ask it in a way that is suitable to your workplace?

How else can <u>you</u> ask?

_____

_____

_____

What would make work better?

Other ways to ask:
- ❑ Anything in your way?
- ❑ What's your best new idea?
- ❑ Can you think of a better way?
- ❑ What would you change?
- ❑ Anything new?

This is the innovation question. Can you ask it in a way that is suitable to your workplace?

How else can <u>you</u> ask?

_____

_____

_____

Where are you going?

Other ways to ask:
- ❑ You learning anything new?
- ❑ What's your next move?
- ❑ Applying for a promotion?
- ❑ What are you proud of?
- ❑ Any new "highlight reel" work?

This is the progress question. Can you ask it in a way that is suitable to your workplace?

How else can <u>you</u> ask?

_____

_____

_____

Approachable Leadership®

One on One Guide

CHECKING IN _____

How are you doing?

| I'm great! | Doing good | Could be better | Not good |

How are you doing since we last talked?

What went well?

_____

_____

Any challenges?

_____

_____

WHERE ARE WE GOING? _____

Your Needs
What do you need?

_____

_____

What would make work better?

_____

_____

Where are you going?

_____

_____

How Can I Help?
What do you need from me?

_____

_____

How can I make work better?

_____

_____

How can I help you get where you're going?

_____

_____

What do you want to work on over the next 30 days?

_____

_____

Acknowledgments

This project would not have happened without the help of a lot of people. Thanks to Greg Kittinger and Meghan Jones who did the heaviest lifting (editorial, error-catching, listening to me ramble on and on, etc.) that made this work possible.

Daniel Hook did the design. He's done our design work for a number of years now and he's brilliant. If you saw the before and after of this book (some of you have) you can see just what kind of magic Daniel works. If you need design work done, hire Daniel. You won't regret it.

Janet Goldstein provided very valuable guidance on the overall direction of this project, including the idea of focusing on ROI and providing practical tools. I really enjoyed working with her on this and look forward to working on more to come!

Cameron Brown from the University of Tulsa is writing a dissertation on leader approachability and his research on the topic is incredibly valuable. Keep an eye out for this guy.

I'd also like to thank Mike Perkins, Steve Wardrop and Rick Farr. Each provided terrific detailed feedback.

Finally, I especially want to thank Nancy Jowske, who provided not just great editorial feedback but also very insightful views about how these different workplace challenges play out in the day-to-day lives of working people and first level leaders. Her passion and intellect around this subject are inspiring. Pay close attention to anything Nancy has to say about leadership. Or any other topic for that matter.