



FOREWORD BY DOUG RAUCH

Former President of Trader Joe's and CEO of Conscious Capitalism, Inc.

Grateful Leadership

..... Using the
Power of Acknowledgment
to Engage All Your People and
Achieve Superior Results



JUDITH W. UMLAS

Senior Vice President, International Institute for Learning, Inc.

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This book is printed on acid-free paper.

I dedicate this book to all of you trailblazers who are either being or becoming Grateful Leaders. You have chosen to put yourself on an extraordinary path, and I applaud you for your courage, your commitment, and your humanity. May this book make a true and ongoing difference in the practice of your Grateful Leadership, and may you become an inspiration to others who are considering this path.

In gratitude and appreciation,

Judith W. Umlas

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Foreword

When Judith W. Umlas asked me to write a foreword for her book describing the benefits and joys of being a Grateful Leader, I was honored to do so. I have personally learned that the nation's workplaces are not rigid fortresses. They are living entities in flux, and their growth is dependent on the shifting currents of humanity in and around them.

A culture of Grateful Leadership starts with leaders who are inspired by a profound sense of personal gratitude. They are also acutely conscious of how an attitude of appreciation affects both employees and the community at large. If the expression of gratitude is contrived, the result is uninspired. We all know when someone is being disingenuous, and there is nothing more demoralizing than a disingenuous "Good job!"

Without the authentic expression of gratitude, people can become frustrated and lose sight of the larger purpose. Ungrateful leadership sends companies spiraling downward toward shortsightedness and selfishness. In today's global corporate landscape, loss of purpose ultimately translates into loss of revenue.

In contrast, genuine Grateful Leaders create a culture of appreciation. They move the focus from a "story of me" to a "story of us." They generate a frame for employees, customers, suppliers, and community members who are inspired by purpose and are fully invested in their

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roles to realize a shared end goal. They are grateful to be part of something larger than themselves. They are grateful to one another. And they are proud to have earned the gratitude that others have expressed to them.

This culture of gratitude is drawing corporations out of the vortex of selfishness and into the interconnected web of humanity. How can a company be only self-centered and express genuine gratitude to stakeholders at the same time? It's impossible. The magic occurs when strength of purpose is coupled with a culture of trust, care, and gratitude. This focuses on optimizing the value for all the stakeholders, which translates to an increase in revenue.

When you create a true culture of care, of gratitude, unbelievable things occur. We would regularly receive amazing letters or calls from customers about their positive experience at Trader Joe's. I would always be filled with gratitude to work with such an inspired team. As an example of the magic that can occur when a team feels fully empowered and grateful, let me share one particular story that continues to amaze me. On the eve of a blizzard, a mother and her small children hurried through our Scarsdale, New York, store to pick up groceries for the family before the storm arrived. She navigated up and down the aisles, worried about the coming storm. Finally, she raced with her family to the cash register with a full shopping cart, her groceries were bagged, and then . . . she remembered that her wallet was still sitting on the kitchen table.

When the mother panicked, the cashier calmly said, "Don't worry. I'll pay for them today. You can just pay me back next time." The cashier swiped his debit card and paid for over \$160 worth of groceries. He didn't embarrass her, and he didn't feel the need to call for a manager. He simply acted out of the deep gratitude of service. Here

was that culture of trust and care at work in the community. An empathetic culture breeds kindness and gratitude. In that moment and so many others, I have felt inextricably linked to my colleagues and my community through a swelling of gratitude (I'm also grateful that the forgetful shopper returned to the store, paid her bill, and then called me to tell me how grateful she was for the trust she had received).

Judith W. Umlas has written a book about Grateful Leadership at a time when it is vital to have holistic leadership. Her careful thought about this subject (including naming it “Grateful Leadership”) is a testament to just how passionate she is about the content of this book. The best writing is born of passion and experience, and Judith brings a surplus of both to the table. Just as gratitude must be sincere, the discussion about its genuine impact in business must be done with heartfelt vigor. Judith is ideally positioned to tackle this subject. She has trained tens of thousands of employees to learn the power of acknowledgment, and she has been exposed to a wide array of individual leadership styles.

Gratitude is an elevating force that links corporations to humanity, thus strengthening relationships that are instrumental to corporate success. There is no question that the spread of Grateful Leadership will improve business by enhancing relationships between people. Who doesn't want to feel acknowledged? Who doesn't work harder when they feel acknowledged and important?

The true measure of a Grateful Leader is when gratitude has become so embedded in the workplace that it no longer needs managerial thrust. When this “orbital velocity” is achieved, companies move along the journey from good to great.

I look forward to the evolution of capitalism into a more holistic and inclusive system of business—one with human narratives of

meaning and purpose. And I believe Grateful Leadership will be integral to creating, enhancing, or restoring corporate humanity.

—Doug Rauch, former president of Trader Joe's
and current CEO of Conscious Capitalism, Inc.

Doug Rauch recently retired from Trader Joe's Company, where he spent 31 years, the last 14 as president, helping grow the business from a small, nine-store chain in Southern California to a nationally acclaimed retail success story with more than 325 stores in 26 states. He developed the company's prized buying philosophy, created its unique private-label food program, and wrote and executed the business plan for expanding Trader Joe's nationally. He is currently the CEO of Conscious Capitalism, Inc.; a trustee at Olin College of Engineering; a recent senior fellow in Harvard's Advanced Leadership Initiative; and a member of the board for several for-profit and nonprofit companies. Doug is currently working on a nonprofit solution to the issue of "food waste" and hunger and obesity by bringing high-quality, nutritious food at affordable prices to the underserved in our inner cities.

PART 1

ACKNOWLEDGMENT:
NEXT TO SURVIVAL, THE
GREATEST HUMAN NEED

FROM “I’M MAD AS HELL!” TO ACKNOWLEDGMENT ACTIVIST

Years ago I was troubled by the way people spoke to me or acted toward me at my job at CBS Television while I was pregnant. So I wrote an article for *Working Woman* magazine entitled “How NOT to Talk to a Pregnant Businesswoman.”¹ Overnight, I became the authority on this subject, appearing on *Good Morning America* and a multitude of radio stations.

I achieved this notoriety simply because no one else was talking about this phenomenon publicly. I had only opened my mouth (or poised my pen) and offered some commonsense, no-brainer (at least to me) “rules” of communication to create a more respectful environment in the workplace.

For example, I wrote in the article:

“As for touching a pregnant (business) woman’s belly, be careful.” A thoughtful friend explained the instinctive urge to touch as a wish

to “warm your hands at the fire of humanity.” A noble thought, but if you have never had physical contact with her before, such an unexpected pat may be offensive. The simple solution is to ask. I was charmed and moved when someone would ask to touch my belly, and I invariably answered yes.²

Simple advice, but my colleagues didn’t seem to know about it until they saw it in print! And all around me, I discovered people were recognizing the value of what I had written. I found out over time that women were posting the column on their office walls and hanging it up on their refrigerators for years after the article was published!

And so it was that I found a way to channel my frustration over the countless examples of people *not* being acknowledged when they deserved to be. The very first one that I remember taking up residence in the “I’m mad as hell, and I’m not gonna take it anymore!!!”³ part of my brain was the time I went into my always busy Dunkin’ Donuts coffee shop and asked for my usual, mind-bending order of a small, black, half-decaf, half-regular caramel coffee.

This time, there was a new order taker, a lovely young lady with a sweet smile. The next day I returned and got the same person. She filled my order with another pleasant greeting and smile. On the third day, when I got to the front of the very long line, she was there, holding a cup of coffee in her hands.

“What’s that?” I asked dumbly. I’m not too bright before my morning coffee.

“Oh, that’s your small, black, half-decaf, half-regular caramel coffee!” she said, looking quite pleased with herself.

I was amazed. No, I was incredulous! “How could you possibly remember my order when you have hundreds of customers in a day?” I asked in astonishment. “You are a genius!”

She looked stunned and didn’t respond for a few seconds. Then she said very thoughtfully, “I never hear compliments. I only hear complaints. Thank you.”

I felt as if I were going to cry when I heard that. How was this possible? How could this delightful, charming, friendly, customer-oriented person be the recipient of only complaints, rather than appreciation, thanks, and . . . acknowledgments? This just was not fair. And so it was born—my need to change this condition that seemed to prevail in the world.

My frustration grew with each incident I witnessed. And now that I was tuned into them, I saw them almost every day. And once again, I felt the extreme urgency to fix this sorry state of affairs. But this time my focus was not one narrow group of people such as pregnant businesswomen. My simple intention now became to change and repair THE WORLD (I tend not to think small)!!!

This intention became fueled continuously by the negative mantra that I now heard over and over whenever I acknowledged someone in a service industry: “Thank you for thanking me; no one ever does that.” How awful! How sad! I just had to bring this terrible condition forth and then fix it in a way that would lead to having people who deserved it, be acknowledged in heartfelt and authentic ways continuously.

So instead of an article this time, I became determined to write a book. And so *The Power of Acknowledgment* was born.⁴

The response was phenomenal—both life changing and work altering for all, it seemed, who were exposed to this message. And there were the incredible stories that demonstrated the results to prove this. Along the way, many executives have asked for ways to get their management on board with this soft skill, when their focus more frequently seemed to be on the hard skills.

Ironically, in my opinion the soft skills are the hardest both to teach and to learn. Since it was clear to me that the ability to deliver true, heartfelt, profound, and generous acknowledgments is a critical leadership competency, without which you might as well just forget about leading, it seemed that it was time to write a second book.

From travels all over the world delivering keynote addresses and training sessions on leadership and the power of acknowledgment, I now know, and I have the evidence to support it, that acknowledgment is a skill we all have (although it is in need of development, like muscles that improve when you exercise) and it is one we all want to demonstrate. I've also witnessed the power of acknowledgment—how it changes the lives, moods, and self-perception of both the giver and the recipient, virtually each and every time it is practiced.

I've seen how acknowledgment changes the level of employee engagement, and I've heard about how it affects the bottom line, with the capability of turning average organizations into world-class companies. And I know that leaders who are bold enough, daring enough, self-confident enough to be, of all things, *grateful* to those they lead will have a profoundly positive impact on their teams, on their divisions, on their organizations, and on what they can achieve. And miraculously, this capability is available to all of us, all of the time. So for those leaders who want to practice the truest and the most gratifying kind of leadership available—Grateful Leadership—and who want to reap the rewards, let's get busy! But first, you may ask, "What *is* Grateful Leadership?"

Let's spend a few moments on this.

WHAT *Is* GRATEFUL LEADERSHIP?

In the 1960s a new concept in leadership, known as “servant leadership,” emerged with the writings and teachings of Robert Greenleaf. The emphasis in this form of leading was on the needs of the people who were being led, which seemed to run counter to the basic ideas underpinning the more hierarchical leadership philosophies popular at the time. Greenleaf created the concept in 1964 and started using the term then. He wrote:

It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. That person is sharply different from one who is leader first, perhaps because of the need to assuage an unusual power drive or to acquire

material possessions. . . . The leader-first and the servant-first are two extreme types.¹

Kent Keith, CEO of the Greenleaf Center for Servant Leadership, says of this leadership philosophy, which the center promotes: “If you really listen to your colleagues and figure out how to get them what they need, they will perform at a higher level, which improves the customer experience, which affects business results.”² It is clear that this type of leadership is effective because it frees people and provides them the resources that they need. People who feel supported produce more effectively.

According to the *Success Magazine* article “How to Become a Servant Leader,” many Fortune 500 companies, such as TD Industries, Aflac, and Southwest Airlines, have adopted this approach, and there is evidence that these companies are on the right track. Southwest Airlines’ former CEO Herb Kelleher felt that flight attendants were the airline’s most important leaders because they had the greatest influence on the customers’ actual experience of flying. In the *Success Magazine* article, it states that “those who have flown the airline know that Southwest flight attendants are some of the happiest people in the air.”³ The positive culture that Kelleher worked hard to shape is a highly successful example of servant leadership.

In the American National Business Hall of Fame report on Southwest Airlines, it states that “Kelleher gave his employees the instruction and leeway to ‘do the right thing.’”⁴ For example, it says, Southwest gate agents were empowered to make decisions and even break rules in order to best serve customers. It goes on to say that Kelleher, in his written communications, often reaffirmed his love for the employees, crediting them with making Southwest a success. It sure seems that something was working and certainly continues to work with that philosophy!

So I am deeply excited to write what follows: I believe that we are on the verge of creating the next wave of vision, inspiration, workability, and success in leadership, which will turn many current ideas and philosophies of leadership upside down: Grateful Leadership.

Aren't employees and suppliers supposed to be grateful to you, the leader, for employing or engaging them, providing for their families, and much more? What I am calling "Grateful Leadership" turns that attitude on its head, and I fervently hope that this form of leadership will sweep businesses, associations, and communities all across the world with an unprecedented rapidity, power, and force. I believe that Grateful Leaders can make huge changes in the very way people do their work and how they feel about what they are doing.

By my definition, Grateful Leaders are those who see, recognize, and express appreciation and gratitude for their employees' and other stakeholders' contributions and for their passionate engagement, on an ongoing basis. Once these leaders allow themselves to feel and express their gratitude, they typically take action to acknowledge, support, and engage their people profoundly, and positive outcomes are then achieved. These leaders really want to know their employees and other stakeholders as people. (See Appendix A.)

Research done by McKinsey & Company identifies personal leadership interaction as being critical to motivating employees. The respondents to a *McKinsey Quarterly* survey asking about what motivates people identified three noncash motivators:

Praise from immediate managers, leadership attention (for example, one-on-one conversations), and a chance to lead projects or task forces—[were] no less or even more effective motivators than the three highest-rated financial incentives: cash bonuses, increased base pay, and stock or stock options. . . .⁵

Walter Robb, the co-CEO of Whole Foods Market, told me the story of a customer who wanted her blind son to have the experience of shopping in a Whole Foods Market. The team member who got the request felt the desire to make this happen, and she got total support from the team leader to create food signs in Braille in three departments. Then the young man was taken from place to place, and it was clear that he thoroughly enjoyed the experience. That is a living example of what I am proposing. The team member trusted that the company's gratitude toward its customers went deep, and she knew she would have the support to step outside the box. Empowering people in this way allows them to make important decisions, encourages them to take initiative, and keeps them aligned with the leader's goals for the kind of customer experience the leader wants to provide. This trust can help to create a culture in which people will take these kinds of initiatives.

Robb also recounted his Grateful Leadership journey:

The real core and secret of Whole Foods is belief in people. When I do store walk-throughs, I don't just "walk through." I spend two to three hours there and ask myself, "Do I feel the spirit? Are team members happy?" I hear people's stories and create space for them to feel acknowledged. And it only works if you are genuinely interested in them. It's also something I kind of grew into. I don't know that I would have walked through stores this way 10 years ago. I was always intuitive but not extremely conscious when it came to dealing with others.⁶ (See the complete profile of Walter Robb in Chapter 12.)

Grateful Leaders give their employees and other stakeholders access to them, as well as to other leaders. The book *Firms of Endearment: How World-Class Companies PROFIT from Passion and Purpose* states:

When Honda has a big problem, it implements *waigawa*—temporary suspension of social protocols based on rank—making it possible for workers on the lowest rungs to personally present a proposed solution to the highest executives involved. Harley-Davidson has a similar policy, except less ceremonial: Any employee on any day has access to the highest officers in the company.⁷

By creating a culture of appreciation throughout their organization, in which people truly feel valued, these leaders motivate their followers to *strive for continuous improvement and always greater results*. This, in turn, promotes a positive environment and the overall well-being of both the leaders and their followers. In such cultures, employees and other stakeholders feel valued and appreciated, and they want to stay. Talk about customer loyalty! Retention of your best people—those you invest in, train, and give knowledge to—is not an unreachable goal. It is a natural outgrowth and outcome of Grateful Leadership. Your best people—from employees to customers and even to the suppliers that want to give you their best products and services as a result of the way you show your gratitude toward them—simply won't want to leave this exciting, nurturing environment in which they can thrive. Honda, again, is cited in *Firms of Endearment* in this context: “Honda is said to ‘marry suppliers for life’; when a supplier has gained admittance to the Honda family of suppliers, the company does everything it can to help the supplier improve quality and become more profitable.”⁸ That is a powerful way of showing corporate gratitude!

Whew! That's a lot to ask, you may be saying. Many highly motivated and well-intentioned leaders, who care about their people and how their people feel at and about their work, still have a thought buried deep within their corporate psyches that the people who work for them should be grateful to them and to their companies for giving

them their livelihood. Of course, we as workers should not take our jobs for granted, and we should allow ourselves to feel a sense of gratitude for the opportunity to make a contribution to our companies.

But as leaders, you have an opportunity—one that I believe is unique to our times. First and foremost, it is to be deeply grateful for the opportunity you have to lead people in all of the areas we have been discussing. You find yourself in a leadership position. You have most likely worked extremely hard to get to this point. You have faced many challenges and you have made sacrifices along the way, and you want to achieve the best results possible. You want to establish an atmosphere in which the people you lead can thrive, and not just survive. This leadership role is both an honor and a privilege. Not to take this for granted is a challenge, but you must tell yourself every day that this is an “awe-some” task. That is, it is a task of which you can and should and continually remain in awe. Acknowledging your people is a sure way of building genuine trust and a culture of appreciation that can help people give their best efforts.

Walter Robb of Whole Foods says it eloquently:

I’ve had a pretty incredible journey. Each experience, good and bad, has helped me grow as a leader. Over time, I’ve deepened my levels of gratitude for the wonder and intelligence of each and every human being. Having three kids—and raising them as a single father—really gave my life a whole new dimension of gratitude. And I’m still coming into a deeper appreciation of others.⁹

The responsibility you bear for others’ lives and their associated challenges is huge, and it should be a source of great pride to you. And then there are your people themselves. They come to work every day,

at least in theory, to support the goals and missions of your organization to which you as well subscribe. Each one of them has a whole life—with husbands, wives, children, elderly parents, homes in need of repair, graduations, weddings, baby births and grandchild arrivals, medical issues and bills, and on and on. They all have a commitment to be at their job every day, and how they “show up” depends to a great extent on you!

Of course, outstanding leaders motivate others by developing broad goals and missions that others support and endorse, and by which they are inspired. But in addition to that, how you value, appreciate, and express gratitude for their contributions on a daily basis will set the tone of their work experience. Think of the impact that this kind of positive culture has had on the success of companies such as Southwest Airlines. If you both feel and display a sense of gratitude for what employees bring forth, they too will feel it and treasure it. That you don't take their long commutes, extended work hours during challenging projects, or wonderful contributions for granted will make a world of difference to them and to what they bring forth on the job. Your continuous experience and demonstration of your gratitude brings forth their gifts—more and more of them over time.

Gratitude is one of the deepest forms of affirmative self-expression. Many studies, such as those described in the *Harvard Mental Health Letter* of 2011 “In Praise of Gratitude,” have been conducted on the links between gratitude and health, a positive outlook in life, decrease in depression, and much more.¹⁰ Those who cultivate and allow themselves to feel gratitude on a deep level have a pronounced and increased sense of well-being. Why shouldn't that be you? And why shouldn't your people be the deserving recipients of that overflowing gratitude? There is an almost sacred sense of others that Grateful

Leaders can cultivate when they allow themselves to feel gratitude and to lead others in a grateful way. Gratitude is like a powerful force field—when you experience it, cultivate it, and best of all, let it show to the people that surround you, they are drawn to you and to your mission and your vision. Bringing this heartfelt and authentic way of interacting with the people you lead will bring about miracles!

Acknowledgment of who their people are and who their stakeholders are and the contributions those stakeholders make to the leaders' organization is a key tool for Grateful Leaders. The ability to acknowledge others is a critical skill that is not often considered in the usual list of outstanding leader characteristics such as business acumen, technical expertise, communication abilities, and vision. However, skill in authentically acknowledging others may prove to be the true differentiator among leaders—that is, between those who do not inspire their employees and those who do. The choice of which kind of leader you are is yours to make.

So stay tuned. The results will be unpredictably positive!

BRINGING ACKNOWLEDGMENT— AND ITS BENEFITS— TO YOUR WORKPLACE

*“Next to physical survival, the greatest need of a human being is . . .
to be affirmed, to be validated, to be appreciated.”*

—STEPHEN R. COVEY, *7 HABITS OF HIGHLY EFFECTIVE PEOPLE*¹

For many years, Stella had worked for a hotel company, where she had advanced to revenue manager, a leadership position that put her in charge of three reservation agents. Her performance, as well as that of her agents, was excellent—and she made sure she always informed them of how much she appreciated their fine work. Every few months, she took them out for lunch to show her appreciation, and if one of the agents ever received an e-mail of thanks, she sent it to her director and hung it on the company bulletin board.

Her job was her life: she was a loyal employee, the kind of person who brought in an angel food cake for a birthday, remembered a coworker's anniversary, and showed up at the hospital when someone fell ill.

But over the years, something soured in Stella. Despite her years of service, her excellent performance and loyalty, she was missing an essential element in her work life—one that was so important, so vital, that it drove her to leave her job when she was unexpectedly offered another senior position in a competing hotel organization.

It was something entirely free and easy to convey, yet not used enough in her corporate culture—*acknowledgment*. If you want to engage, motivate, inspire, and keep your best employees—while having them achieve superior results—let them know through your sincere acknowledgments that their worth and importance to the organization are inestimable. Show your gratitude for their efforts and enthusiasm. You will see that this makes the difference between having workers who are unengaged, uncommitted, and lacking passion for what they do and those who are motivated, passionate, high performers.

In all her years, no one had ever told Stella she was doing a great job, or even a good job. No one had taken a moment to acknowledge how important she was to the organization.

Her boss was flabbergasted when she told him she was leaving and why. Could such an ineffable thing as acknowledgment really be this essential to a worker?

Yes! According to a Gallup survey, praise (and therefore, I would suggest, acknowledgment) creates employee engagement. And when workers aren't adequately recognized, they're three times more likely to quit in the next year. This translates directly into dollars.² A Gallup study estimates that annual productivity losses in the United States

resulting from disengaged workers is a whopping \$300 billion! This projection is based on more than 30 years of Gallup's in-depth behavioral economic research involving more than 17 million employees.³ The evidence for the bottom-line impact is astounding!

In Stella's case, after she left for her new job, the HR manager sent her a list of praiseworthy comments from fellow managers and heads of departments that they had documented during a management training exercise that had taken place the week before Stella left. The managers had chronicled how much they admired her work and valued her contributions. Had Stella received this list earlier, she probably would not have left at all. But by then it was too late.

The Stella story was, in my estimation, a corporate tragedy, one that occurs on a regular basis. Think about how easily it could have been avoided. And think of the costs involved in training her successor and more. A Society for Human Resource Management (SHRM) study on retaining talent tells the sad and dramatic story this way:

Employee departures cost a company time, money, and other resources. Research suggests that direct replacement costs can reach as high as 50 to 60 percent of an employee's annual salary, with total costs associated with turnover ranging from 90 to 200 percent of annual salary. Examples include turnover costs of \$102,000 for a journeyman machinist, \$133,000 for an HR manager at an automotive manufacturer, and \$150,000 for an accounting professional.⁴

But now I'm going to share with you another real-life drama, and happily, this time it is an amazing and positive one. It's one that demonstrates the true power of acknowledgment, against all odds, in a

team leadership context. And it is told in the words of the leader who experienced this power firsthand:

I'm always excited at a project kickoff—the hopefulness and the initial enthusiasm about the project always puts me in a good mood. But on this day, my kickoff happiness was tempered when I realized a certain person was assigned to my team: Jim was my technical lead, and I was grouchy about it. I walked away from the kickoff mumbling to myself about how I would have to put up with this guy's negative comments—he never had a positive thing to say about anything. At every meeting, he would interject with statements like “No, that won't work,” or “You will never complete that on time,” and to be honest, he just irritated me. I decided to sit down and have a good talk with myself—this guy was on my team, and no amount of whining or wrangling was going to get me a new technical lead, so I had to just deal with it.

About that time, I remembered some of the concepts I had read in Judy's [first] book: I remembered that acknowledging someone could change his or her attitude, and I thought that doing something different might change the dynamics of the situation. In our next team meeting, Jim did his usual—he shot down every idea and ridiculed every deadline we set—and as usual everyone ignored him and kept talking about our project.

But this time, I stopped and took a breath, and I said, “Jim, can you tell us more about why you don't think we can do this?” He looked shocked. The whole team stopped talking and turned to him.

I said, “Go ahead, Jim, we're interested . . .” He was taken aback. He reddened in the face a bit, but he actually put his

thoughts together and made a very logical argument about a point we had missed. I said, “Wow, I’m glad you pointed that out, Jim. I totally missed it. Could I ask you to take that one step further and help us understand what we should do to resolve the issue?”

He said he would have to think about it, which, by the way, was fine with me because he didn’t speak for the rest of the meeting!

Later, I stopped by his desk to discuss the issue more; I needed a risk-mitigation plan for the issue he had uncovered. I started the conversation by thanking him for discovering this issue—after all, had we not addressed it, the project could have been in trouble. He was so disoriented by now, he didn’t know how to respond, but I expected that—Judy reminds us in her book that some people cannot accept the acknowledgment we give—so I wasn’t put off by his confusion. Some time later, he came up with some ideas about handling the issue, and we actually experimented with some of the solutions to understand what might work. He did excellent work, but no one ever knew it because of his negative attitude.

Over the course of the project, I kept quizzing him about possible problems and solutions and praised him privately for being my “failure analyst.” I pointed out to him that it is a great and essential skill to see the weaknesses in a plan. I have a tendency to leap first and look later, so his skepticism kept me out of trouble more than once. After that, he took an active role in project meetings, even to the point of leading some meetings to analyze issues. At the end of the project, I made a special trip over to his desk to say thanks again for his overall efforts, and he told me something so interesting. He said, “You are the only person who listened to me. Everyone always ignored me, but now I know I have something important to say.” That statement knocked my

socks off. . . . I'm not a great people person, but I think in this case, a simple acknowledgment formed a good and productive relationship with someone who provided a key need to the team! Thanks, Judy!!!⁵

So now you have a sense of how you can use the power of acknowledgment in your leadership role, and some of the results it can produce—for you, for your people, and for the bottom line. Acknowledging Jim resulted in his total engagement in this and many subsequent projects, and his input saved the company from making huge, costly mistakes. The project leader's appreciation and Grateful Leadership (not taking his contribution for granted, for example) made a huge difference to Jim's productivity and to the success of the project. It's so simple, isn't it? And of course it goes without saying, but I will say it anyway: there needs to be a balance between acknowledging effort and good results, and holding people accountable for their performance.

No matter what you are starting with, you can create a corporate culture of appreciation and acknowledgment—right here, right now! As Stephen R. Covey says, “One person can be a change catalyst, a ‘transformer,’ in any situation, any organization. Such an individual is yeast that can leaven an entire loaf. It requires vision, initiative, patience, respect, persistence, courage, and faith to be a transforming leader.” Using the power of acknowledgment, you can be the “yeast”! Be that transforming leader that Covey describes.⁶

My previous book, *The Power of Acknowledgment*, focused on both personal and professional relationships. And after traveling many thousands of miles and working with tens of thousands of project managers, engineers, executives, managers, vice presidents, and presidents, I now

see how hungry leaders and potential leaders are for this simple but powerful message and its application to their places of work.

So here's the cold, hard truth: You simply *cannot* be an effective leader without the ability to deliver profound, generous, heartfelt, and authentic acknowledgments to those who deserve them. Period! And you also need to be a Grateful Leader: when you show gratitude toward your people for their contributions, this will make a huge difference in your workplace. Yes, there are other ways to lead. Steve Jobs was noted for being remarkably difficult and yet producing great results.

In the *Harvard Business Review* article “The Real Leadership Lessons of Steve Jobs” by Walter Isaacson (also author of the book *Steve Jobs*), the author wrote:

One of the last times I saw him, after I had finished writing most of the book, I asked him again about his tendency to be rough on people. “Look at the results,” he replied. “These are all smart people I work with, and any of them could get a top job at another place if they were truly feeling brutalized. But they don't.” Then he paused for a few moments and said, almost wistfully, “And we got some amazing things done.”⁷

So yes, you can get great things done while *not* practicing Grateful Leadership and by being rough on people, but the path is a lot smoother and your people will be a lot happier when you do practice it. Still, while Jobs may have been hard on his people, they received acknowledgment from the global market knowing that they had a role in producing such “cool” and successful products.

To make it easier and more immediate to create or enhance a culture of appreciation and acknowledgment right here, right now, I have

created a framework and a foundation of this work for you that I call the “5 Cs.” Understanding the 5 Cs will bring a new consciousness and awareness to you, a consciousness of both the benefits and the obstacles you experience to acknowledging people fully, generously, and profoundly, in ways that directly affect your organization’s position in the marketplace and your bottom line. The 5 Cs will set the stage for the 7 Principles of Acknowledgment that follow in Part 2.

THE 5 CS: THE ACKNOWLEDGMENT PRACTICE THAT WORKS MIRACLES

Now that you know you are the yeast that will cause the whole loaf to rise, you need to know how simple it is to make that happen. That's where the 5 Cs come in. So just relax—this will be easy, fun, and momentarily fulfilling. It also sets the stage for creating and launching your *Acknowledgment Action Practice*.

Let's first take a minute to define *acknowledgment*. I want to do this now, before we really get going, so that we are all clear on the concept that is my passion and my purpose. Once, I was brought in to speak to a group of mediators and lawyers in Southern California, and my presentation "Leadership and the Power of Acknowledgment" had been accepted, publicized, and promoted for several weeks before the event. When I got to the group of about 30 people, I began to speak about the definition of *acknowledgment* that I am about to give you. "Oh,

no!” one vocal participant shouted out. “That is not what we wanted you to speak about. We want you to talk about how acknowledging two different parties’ points of view is critical in mediation, as well as in legal situations.” I smiled and shrugged, and I offered to leave, as that was not what I was planning to speak about. “Well, go ahead, then,” another one said. And by the end of the presentation, the group understood the concept and power of acknowledgment as I define it. Later, I was asked by one of the members to speak at another group of mediators and lawyers a few months afterward. So here’s what I mean by *acknowledgment*, and if you don’t like it, please return this book and buy another!

Acknowledgment, by my definition, is the heartfelt and authentic communication that lets people know their value to their organization or to their team and the importance of the contribution they make. I have identified the foundation and underpinnings for acknowledgment as the 5 Cs.

The first C is for *Consciousness*. Most people are simply not aware of the frequent acknowledgments that inhabit their minds—they take note of them in a way similar to watching pretty colored tropical fish swim by in a tank. But that tank is your brain, and if you watch the acknowledgments “swim by,” you will not “catch” and then deliver them unless you take the next step. One participant in an e-learning seminar about the power of acknowledgment sent a text message to all of the participants—about a hundred of them—in the middle of the webinar. He wrote, “I’ll be right back. I have to go acknowledge my boss!” He got a round of virtual applause, and he “stepped out” for about 10 minutes. When he returned, he texted everyone with these words and punctuation: “I did it!!!”

Why did he acknowledge his boss right then? Was it that it had just occurred to him for the first time that he really wanted and needed to acknowledge his boss? No, he had undoubtedly told himself hundreds of times how much he admired his leader's management style, his accomplishments, and his communication. But it was the *conversation* about acknowledgment that generated the Consciousness. Reading about the 5 Cs will be exactly what you need to lay the foundation for actionable and grateful acknowledgment. You can start becoming conscious of the overwhelming and overflowing gratitude you feel—yes, it is true, when your people perform with excellence and agility, it's almost as if you are a proud parent! But do you “speak” that gratitude? Usually not, and so it dissipates and dissolves.

So now once you begin to become conscious of the acknowledgments that are floating around in your brain, then the next C is for *Choice*. You can always choose *not* to deliver the acknowledgments to the people you work with—but at a cost. The fact that you appear ungrateful and unable to even thank people has a price tag, and the price is steep. The cost to you and to your organization is what you lose: their engagement, their loyalty, and their desire to please you and to make you proud of their accomplishments. So I always urge you to make your Choice a *yes* whenever possible.

Of course you have to set high standards, and you should make those standards clear and your people accountable. But one does not negate the other. When you spot something worthy of acknowledgment, when you are touched, moved, or inspired by a person's actions or abilities, you can and should make yes your choice. But I can't obligate you to do that. When you do choose yes, you may experience a variety of emotions and obstacles: embarrassment, vulnerability, fear,

self-consciousness, discomfort, and many more. We are creative with our reasons that have previously stopped us from delivering these precious “gifts” to our people, even when we feel grateful to them. When you are missing some of the other Cs, you buy into the obstacles everyone experiences to moving forward on this positive path. So here are the rest of the 5 Cs that you will need.

The third C is for *Courage*. You may think I am exaggerating when I say it takes *Courage* to give someone a heartfelt, generous, and grateful acknowledgment. But trust me (and if you don’t now, I predict you will by the end of this book): it takes real, gut-gripping nerve and confidence to tell people how much they mean to you and to your organization. “What if they ask me for a raise?” you wonder. “What if they think I am trying to manipulate them or trying to get them to do something they don’t want to do?” “What if they think I am not being sincere?” “What if they think I am being a ‘weakling’ for acting so grateful to them?” “It’s too ‘new-agey!’ you tell yourself. It takes deep Courage and conviction to get a true and gushing and grateful acknowledgment across to people in a way that they can really take it in and experience it (okay, so you don’t always have to “gush,” but being grateful will make a huge difference).

And you will know if they are indeed getting it by what happens when they do. It is as if you are turning a light switch on—they appear to “light up,” they stand taller, even seeming to grow a few inches, their eyes open wider, and their features become softer. Those of you who need some inspiration to allow your gratitude to “show” can benefit from Walter Robb’s admission that he gets “choked up” even in the midst of public speaking engagements, when he feels a sense of overwhelming gratitude for the opportunity he has to reach so many people with his message and his company’s great and healthy food. In

fact, before he begins every talk, he “centers” himself by focusing on and feeling his gratitude, and he allows it to rush in and envelop both him and his audiences.

At a conference of 1,200 project managers in Brazil, I had the pleasure of meeting one of my colleagues there who was fairly new to the company. I watched him in fascination and awe as he interacted with our customers and potential customers. He leaned in toward them as he listened to what they were saying, but he did not invade their personal space. It was clear as I watched him that he was not planning his next response to what they were saying, but he was simply listening. He was an “open space” for their communication, and they came alive in their interactions with him. Later, I took him aside and acknowledged him for his incredible listening skills. He looked at me as if he did not know what I was talking about. “I was just hearing what they said,” he stated, somewhat confused. I let him know how unusual his gift of true listening was, how deeply affected the people he spoke with appeared to be, and what a talent he had. Suddenly, his face broke out into a huge smile, his eyes widened, and he did appear to grow a few inches taller.

“I never knew this was anything special,” he said proudly. “I just like to really listen to what people are telling me. Thank you for letting me know that this is my special gift!”

“You set an example for all of us to model and follow,” I said, truly grateful to him for making his contribution.

There are benefits to the giver and receiver of acknowledgment. When people get your grateful acknowledgment, you will definitely experience their getting it, and you will feel a real delight that you have been able to deliver your gift to them. Giving and receiving acknowledgment is a feel-good loop through which you can build a general approach to dealing with others.

The fourth C is more straightforward than the others: *Communication*. Once you have Consciousness and awareness of the opportunity for acknowledgment, have made the Choice to deliver it, and summoned up the huge amount of Courage it takes to express it profoundly and authentically, then it is just a matter of choosing how to get it across to someone. It's kind of like the old saying, "There are different strokes for different folks."

You do have to tailor your acknowledgment to the individual—some people will respond as if it is the highest form of praise if you make a public declaration of their excellence and accomplishments. Others will roll over and faint from embarrassment if you convey it in any way other than a one-on-one conversation or a private e-mail or text message. Discovering the best means of communicating your grateful acknowledgment is up to you.

I don't care if it's via skywriting or Skype—just make sure to get it across to them. Watch them "light up" and fill with pride. Watch them come to work earlier and stay later, and watch them want to give more and more to get the job done. It's not a manipulation (unless it is, and then you will know it). Enhanced performance, better customer service, and increased sales are the natural byproducts of your people feeling valued and appreciated. Your valued customers won't be able to stay away! And you will keep your best people around forever. I know at my company, many of us fall into the 10- to 20-year range, and quite a few of us have chosen to develop with the company and finish out our careers here—even the younger ones!

And that brings us to the fifth C—which is for *Commitment*. Once you see the effects of this magnificent catalyst on your people and the results they produce, you will ask yourself how you ever tolerated a corporate culture without appreciation, acknowledgment, praise, rec-

ognition, and validation—and without your expressed gratitude—as the foundation for your organization’s true mission, goals, and purpose. You will immediately want to make the change, and that change will generate real and unpredictably positive results in everything from the fewer number of sick days your people take, to the higher amount of dollars they bring in, to the number of years they stay with you in a devoted, engaged, and inspired way.

Here’s a powerful statement of Commitment by the co-CEO of Whole Foods Market, John Mackey:

At Whole Foods we practice appreciations at the end of all of our meetings, including even our board meetings—voluntarily expressing gratitude and thanks to our coworkers for the thoughtful and helpful things they do for us. It would be hard to overestimate how powerful appreciations have been at Whole Foods as a transformational practice for releasing more love throughout the company.

—Co-CEO John Mackey, commencement
address to Bentley College graduates

I am committed to sharing the power of acknowledgment with you as the Grateful Leaders that you are choosing to be, who want to engage, motivate, and inspire your people. I will share it with any people who will accept it (or give them the tools to enhance their capabilities in this area if they already practice it). That’s because I strongly believe that we can change our work environments completely, mightily, and immediately. And I remain committed to changing the world, one person at a time, as we use the power of acknowledgment now through the practice of Grateful Leadership, to turn on the light in ourselves and others, in our workplaces, communities, and families.

We have no idea yet what positive forces for good, for sustainable living, and for sharing the wealth that business entities around the world can bring forth with Grateful Leadership.

Now that you have the underlying foundation for bringing acknowledgment to the people you lead, let's make sure you have the specific principles that will make it (almost) effortless to launch and use the Grateful Leadership Acknowledgment Practice on a regular basis, so you can immediately start seeing the results.

For your own awareness, so that you know where you are starting out in this leadership sphere (and believe me, everyone can improve and be more effective at acknowledging people gratefully and profoundly in ways that make a difference), please take a moment to reflect on your current behavior in regard to leadership and the approach taken in your organization. (See Appendix A for this questionnaire.) You may be interested to note that this questionnaire was adapted from the one I presented to each person who agreed to be the subject of a Grateful Leader Profile that you will find in Chapter 12, although theirs was a bit longer. So you are in very good company!