


**EBOOK**

# 7 WAYS POOR LEADERS ARE COSTING YOUR COMPANY MONEY





**Poor managerial behaviors negatively impact engagement, alignment, productivity, and retention.**

Research conducted by The Ken Blanchard Companies®, together with *Training* magazine, identified some important gaps between what people expect and what they experience when having work conversations with their immediate manager.

## Poor managers are costing your company money when:

1. They don't set clear goals with their people.
2. They don't align goals to team, departmental, and organizational objectives.
3. They don't check in on progress.
4. They don't provide feedback.
5. They don't adjust their style based on the needs of the employee.
6. They don't listen.
7. They don't change (without training and support).



# 1. They don't set clear goals with their people.

**About 70 percent of people want to have goal-setting conversations often or all the time, but only 36 percent actually do.** When managers aren't skilled in setting goals that are specific, trackable, relevant, attainable, and motivating, the result is multiple priorities, unclear action steps, and poor line of sight on how work contributes to larger objectives.

**“All good performance begins with clear goals,”** is a favorite saying of best-selling business author Ken Blanchard. Blanchard's recommendation? Identify 3 to 5 key goals for each employee and make sure they are written down. Goals that are written down are 18 percent more likely to be achieved. Writing down the goal also makes it easier to review.

## 2. They don't align goals to team, departmental, and organizational objectives.

**Only 14 percent of organizations report that their employees have a good understanding of their company's strategy and direction.**

When people don't know where their company is going, they can end up working on projects that are out of step with organizational objectives.

Make sure all team members are working on the highest-priority tasks. Ask managers to check in and review priorities with their people. Make sure the work is meaningful, on target, and contributing to overall organizational goals.





### 3. They don't check in on progress.

More than 73 percent of people want to have goal-review conversations often or all the time, but only 47 percent actually do. And 26 percent say they rarely or never discuss current goals and tasks.

#### **What gets measured, gets managed.**

Research conducted by Gail Matthews, professor of psychology at Dominican University in California, found that people who write down their goals, share them with someone else, and have regular weekly check-ins are 30 percent more likely to achieve those goals than people who do not.

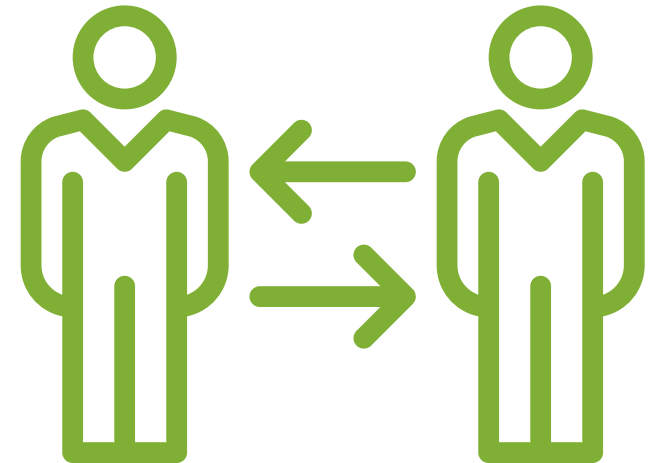
## 4. They don't provide feedback.

Research shows that 67 percent of people want to have performance-feedback conversations often or all the time, but only 29 percent actually do. And 36 percent say they rarely or never receive performance feedback.

Without feedback, people don't have a way to make course corrections or to know how they are doing until it's late in the process. No one feels good when work has to be redone because of a lack of feedback along the way.

According to executive coach Joanne Maynard, a few key attributes of good feedback are

- **Focus on observable behaviors, not personality traits. Feedback should be clear and directive and should focus on concrete actions.**
- **Keep a positive end goal in mind. Paint a positive picture of the desired outcome that gives people a vision to work toward.**
- **Offer to be an accountability partner. Change is hard. Offer to provide appropriate direction and support as needed.**







## 5. They don't adjust their style based on the needs of the employee.

**Nearly 54 percent of managers use the same style of leadership for all people in all situations** regardless of whether a direct report is new to a task or already an expert. Half the time, this results in a manager either oversupervising or undersupervising.

The best managers tailor their management style to the needs of their employees. For example, if an employee is new to a task, a successful manager will use a highly directive style with clearly set goals and deadlines. If an employee is struggling with a task, the manager will use equal measures of direction and support. If the employee is an expert at a task, a manager will use a delegating style on the current assignment and focus instead on coming up with new challenges and future growth projects.



## 6. They don't listen.

When The Ken Blanchard Companies asked 1,400 people the question “What is the biggest mistake leaders make when working with others?” 41 percent of respondents identified inappropriate communication or poor listening.

Here's a three-step model designed to help managers slow down and focus on what people are sharing.

- **Explore**—ask open-ended questions such as, “Can you tell me more about that?” or “How do you think that will go?” or “What does that really mean?”
- **Acknowledge**—respond with comments such as, “You must be feeling ...” or “So, if I'm hearing you correctly, what you're saying is ....”
- **Respond**—now that you have a good understanding of the direct report's point of view, you can carefully move forward with a possible response.





## 7. They don't change (without training and support).

A majority of new managers—60 percent—underperform or fail in their first assignments. Worse yet, as Harvard researcher Linda Hill has found, managerial habits developed by new managers often continue to hobble them for the rest of their careers. With two million people stepping into their first managerial position each year, it's critical to get people the training they need.

Unfortunately, research by Zenger Folkman shows that most managers don't receive formal training until they are ten years into their career!

Best-selling business authors Ken Blanchard and Scott Blanchard suggest rethinking the traditional approach to who gets trained in the organization. Their suggestions?

**Don't hold your best people back**—in fact, don't hold anyone back. Why not train everybody who desires it?

**Show everyone you value them** and are willing to invest in their development.

**Adopt inclusive policies** that identify and provide people with the training they need to build leadership bench strength, bring out the best in people, and create a strong work culture.

Better leadership practices have been positively associated with increased levels of engagement, alignment, productivity, and performance. Blanchard research has identified that **better leadership practices—if fully employed—could be worth as much as a 7 percent increase in sales!**







For leadership development professionals, these seven areas provide an opportunity to take a more targeted approach to improving manager performance in each area. **Here are five ways to get started.**



## Take a look at the overall design of your performance management process.

Conduct a quick internal assessment. Are managers following best practices in setting goals that are specific, motivating, attainable, relevant, and trackable? What percentage of employees have current goals written down?

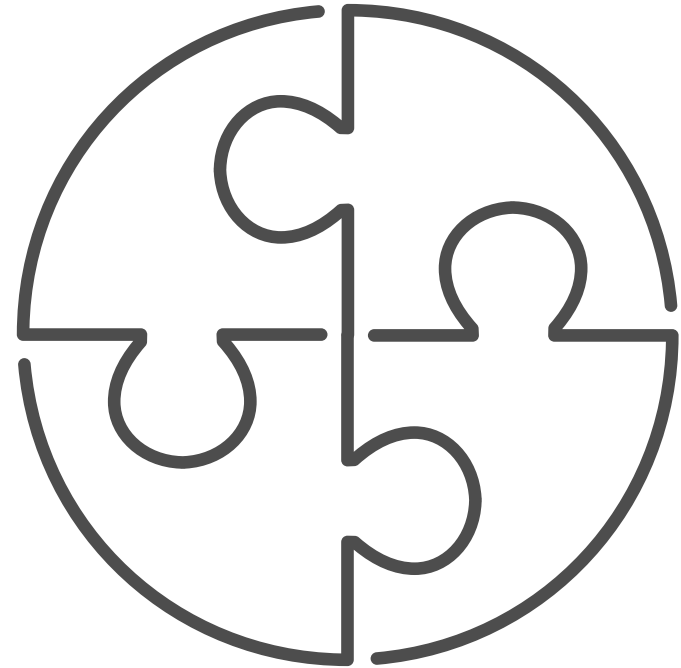
Individuals and organizations achieve more when goals are clearly identified, written down, and reviewed on a consistent basis.



## Double-check on goal alignment at the team and department level.

Make sure that all team members are working on the highest-priority tasks. Ask managers to check in and review priorities with their people.

Make sure the work is meaningful, on target, and contributing to overall organizational goals. Efficiency improves when everyone is clear on goals and moving in the same direction.



## Take a second look at the amount of time your managers are spending with their people.

Everyone benefits from regular coaching and performance review.

Monitoring progress and providing feedback are two key ways for a manager to stay involved and partner with an employee to achieve goals. The Ken Blanchard Companies suggests leaders meet with their direct reports at least twice a month to discuss progress toward goals and to address employee needs for direction and support.



## Identify what individuals need to succeed at their high-priority tasks.

Managers need to adjust their leadership style to meet the needs of each person, depending on that person's experience and confidence with the tasks they are assigned.

With proper levels of direction and support, people can move through stages of development and reach peak performance faster.

Surprisingly, without training only 1 percent of managers are skilled at identifying and being able to deliver all four styles when needed, whether directing, coaching, supporting, or delegating.



## Review your performance review process.

In many organizations, goals are set at the beginning of the year and not seen again until the review process at the end of the year.

Blanchard recommends that managers conduct a series of mini-reviews throughout the year—every 90 days is the recommended standard. This allows leaders to make midcourse corrections. It also eliminates surprises for direct reports and keeps the partnership between manager and direct report strong and vibrant.





A renewed focus on leadership development can have significant results on the performance of an organization. Blanchard research shows that when managers meet the needs of their people, organizations benefit through higher levels of discretionary effort, work performance, and intention to remain and collaborate more effectively.

**How are the managers in your organization impacting your bottom line? Give your leadership development process a review.**



Great managers aren't born—they're trained.

Get started today!

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## Additional Resources

### Infographic: Are One on One Meetings Meeting People's Needs?

<https://leaderchat.org/2016/10/06/infographic-are-one-on-one-meetings-meeting-peoples-needs/>

### Serious about Your New Year's Resolutions? Stack the Deck in Your Favor!

<https://leaderchat.org/2015/01/05/serious-about-your-new-years-resolutions-stack-the-deck-in-your-favor/>

### Only 14% of Employees Understand Their Company's Strategy and Direction

<https://leaderchat.org/2012/05/21/only-14-of-employees-understand-their-companys-strategy-and-direction/>

### Sharing Feedback: 3 Ways to Help Others Improve

<https://leaderchat.org/2016/03/15/sharing-feedback-3-ways-to-help-others-improve/>

### Three Times When It's Wrong to Just Be a Supportive Manager

<https://leaderchat.org/2012/06/18/three-times-when-its-wrong-to-be-a-supportive-manager/>

### Infographic: What Is the Biggest Mistake Leaders Make When Working with Others?

<https://leaderchat.org/2016/03/10/infographic-what-is-the-biggest-mistake-leaders-make-when-working-with-others/>

### 3 Tips for Better Listening—And the One Attitude That Makes All the Difference

<https://leaderchat.org/2012/09/03/3-tips-for-better-listening-and-the-one-attitude-that-makes-all-the-difference/>

### Making the Business Case for Leadership Development: The 7% Differential

<http://www.kenblanchard.com/Leading-Research/Research/Making-the-Business-Case>

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