

# HEART-CENTERED LEADERSHIP

**THE BUSINESS CASE FOR  
DEVELOPING YOUR LEADERS**

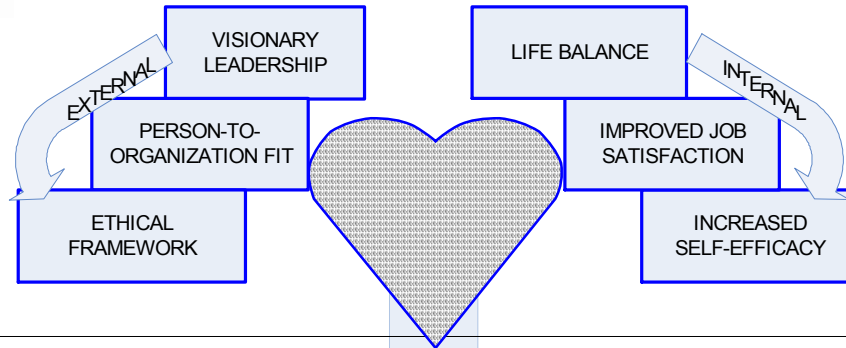


# AN ORGANIZATIONAL IMPACT MODEL OF HEART-CENTERED LEADERSHIP™

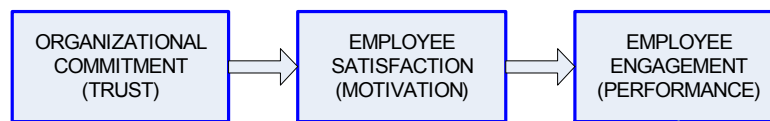


HEART-CENTERED  
LEADERSHIP

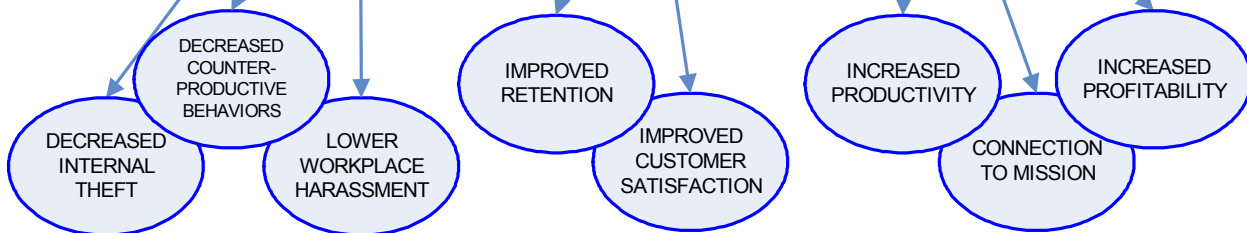
## IMPACT TO LEADERS



## IMPACT TO EMPLOYEES



## ORGANIZATIONAL RESULTS



The direct benefit of Heart-Centered Leadership is the **PERSONAL IMPACT** it has on the leader. The *Seven Core Principles* and corresponding *Seven Virtues* will improve the work quality and life quality of those who encounter it and put it into practice.

As rewarding and powerful as this is, even this incredible benefit on its own would not be sufficient to meet the rigorous criteria for a company-level investment decision.

Fortunately, the individual leadership level is merely where the benefits begin. Heart-Centered Leaders have a direct **IMPACT TO EMPLOYEES** they supervise. Increased level of trust. Deeper commitment to the company goals and change initiatives. Stronger will to increase performance, and improve the experience of your customers.

The behavior impact to line level supervisors and employees reflects the most important impact of all: **ORGANIZATIONAL RESULTS** that offer your company a sustainable advantage in the marketplace. The business case for Heart-Centered Leadership is extensive, and recent research proves it.

## **THE BUSINESS CASE:** Organizational Commitment

*Organizational Commitment* refers to the emotional and psychological attachment an employee has toward the organization they work for. It has been linked with the intention to stay with the same company (and same boss), as well as the desire to follow company operational standards, even in situations of difficulty and uncertainty. A 2006 study of 138 employees in the retail industry from 68 stores showed a correlation between fair and ethical treatment by leaders with an increase in organizational commitment behavior by employees. In addition, the researchers found lower levels of employee stress, improved job attitudes, and lower turnover rates. In addition, the degree to which *the employees felt trusted by their manager* was shown to be a significant predictor of employee work performance. Leaders who fostered a positive work climate via clarity of mission and ethical treatment of staff were able to decrease the amount of role conflict and role ambiguity, reporting higher employee satisfaction scores as a result.

A study with 7,939 business units from 36 companies examined the **relationship between employee satisfaction and the business-unit outcomes of customer satisfaction, productivity, profitability, employee turnover, and workplace accidents**. One implication is that changes in management practices which focus on increasing employee satisfaction may increase business-unit outcomes, including operational profitability.

**Heart-Centered Leadership:** Another principle of Heart-Centered Leadership regarding employees, is that They Need What You Need! Leaders who exude personal authenticity and create a business environment conducive to employee satisfaction ratings (which include behaviors such as fairness and reciprocity),

Harter, J., Schmidt, F., & Hayes, T. (2002). Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: A meta-analysis. *Journal of Applied Psychology*, 87(2), 268-279.

Jaramillo, F., Mulki, J., & Solomon, P. (2006). The Role of ethical climate on salesperson's role stress, job attitudes, turnover intention, and job performance. *Journal of Personal Selling & Sales Management* 26(3), 271-282.

## **THE BUSINESS CASE:** Employee Engagement

If you could increase the level of empowerment your employees have, how would this impact your current performance and cost structure? Highly engaged employees feel a strong emotional bond to the organization that employs them, which in turn influences a whole range of *choice-based behaviors*. A 2004 field study of a U.S. Midwestern insurance company explored the mediating effects of three aspects of workplace culture: (1) The degree that one's work is personally meaningful and relevant, (2) the degree to which a workplace is a respectful and positive place in which to function, and (3) the degree to which the leader cares about the career and welfare of the employees. The results from this study revealed that all three conditions have a direct impact on Employee Engagement.

**Heart-Centered Leadership Provides the Answer.** Employee Engagement is driven by leaders who follow the following Core Principle of Heart-Centered Leadership : **Associates have a Choice!** The simple reality is that all employees choose whether or not to follow a specific leader. The leader who harnesses the ability to influence and gain the respect and "permission" from the associate will be successful at consistently driving the engagement level of employees.

May, D., Gilson, R., & Harter, L. (2004). The psychological conditions of meaningfulness, safety and availability and the engagement of the human spirit at work. *Journal of Occupational and Organizational Psychology*, 77(1), 11-37.

## THE BUSINESS CASE: Connection to Company Mission

The authors examined the impact that leadership guidance and integrity had on employee behavior in the banking industry. The results are clear: The degree to which employees decide to focus on value-added behaviors while also choosing to avoid deviant, non-productive behaviors at work is directly linked to the mentoring and integrity behavior exhibited by their supervisors. These results were consistent across 2 independent field samples.

In another study, employees who worked for an aggressive leader who exhibited distrust and suspicion toward employees experienced the opposite results: Employees in this environment experience little emotional connection with their company's mission and quality standards, and as a result, an increase in work avoidance behaviors were observed. When dealing with a authoritarian mistrusting leader, employees unconsciously withheld work actions that they knew would benefit the organization and its representatives.

Dineen, B., Lewicki, R., & Tomlinson, E. (2006). Supervisory guidance and behavioral integrity: Relationships with employee citizenship and deviant behavior. *Journal of Applied Psychology*, 91(3), 622-635.

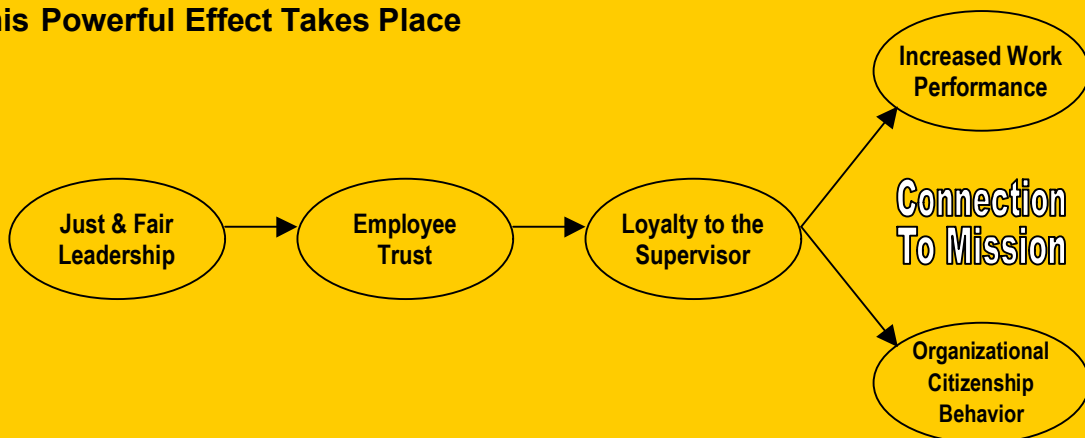
Zellars, K., Tepper, B., & Duffy, M. (2002). Abusive supervision and subordinates' organizational citizenship behavior. *Journal of Applied Psychology*, 87(6), 1068-1076.



### Is Global Expansion A Key Part of Your Company Strategy?

If so then your leaders better be prepared! The same core principles and values of *Heart-Centered Leadership* have been shown to positively impact work performance and citizenship behaviors of Chinese employees in joint venture companies. Chinese employees have come to *expect* loyalty, harmony, and reciprocity from their leaders. This issue has caused many joint venture companies to struggle with their plans to expand as a multi-national or joint venture business.

#### How This Powerful Effect Takes Place



Wong, Y., Wong, C., & Ngo, H. (2002). Loyalty to supervisor and trust in supervisor of workers in Chinese joint ventures: A test of two competing models. *International Journal of Human Resource Management*, 13(6), 883-900.

## **THE BUSINESS CASE: Productivity**

If you want to drive productivity in the workplace, the shortest path is to have leaders in place who treat employees with the utmost respect and dignity. A study of 80 employee-leader relationships indicated that both mutuality and reciprocity were positively related to productivity, career advancement, and the intention to continue working with the employer.

Yet another study revealed a secret for reducing job burnout rates while also increasing work productivity. An analysis of 211 traffic enforcement officers showed that when top leaders fostered a support structure between supervisors, family members, and co-workers, they were able to drive results in both of these crucial areas of performance.

Dabos, G., & Rousseau, D. (2004). Mutuality and reciprocity in the psychological contracts of employees and employers. *Journal of Applied Psychology*, 89(1), 52-72.

Baruch-Feldman, C., Brondolo, E., Ben-Dayana, D., & Schwartz, J. (2002). Sources of social support and burnout, job satisfaction, and productivity. *Journal of Occupational Health Psychology*, 7(1), 84-93.

**Heart-Centered Leadership:** Employees are productive as a matter of passion and will. In fact, the degree to which employees focus squarely on value-added activities is based on the model their leader provides. Heart-Centered Leaders understand the impact of their words and actions.

## **THE BUSINESS CASE: Customer Satisfaction**

Struggling to improve your level of customer service? One study of 33 retail stores found that the positive orientation of their leaders toward employees was directly correlated to the quality of customer service provided, as well as improving group sales performance.

In another study of 114 restaurants and hotels (in addition to feedback from over 1,100 customers) the powerful truth was revealed regarding leaders who create a positive work environment and drive employee engagement: Not only did these leaders see increased work performance compared to those with low engagement scores, but they also enjoyed an increase in customer loyalty rates.

George, J., & Bettenhausen, K. (1990). Understanding prosocial behavior, sales performance, and turnover: A group-level analysis in a service context. *Journal of Applied Psychology*, 75(6), 698-709.

Salanova, M., Agut, S., & Peiró, J. (2005). Linking organizational resources and work engagement to employee performance and customer loyalty: The mediation of service climate. *Journal of Applied Psychology*, 90(6), 1217-1227.

**Heart-Centered Leadership:** Effective leaders understand that the way they treat employees is the way the employees will treat the customer. This is the law of reciprocity, and we at the Institute of Heart-Centered Leadership provide the tools, insights and cutting-edge research on ways that effective leaders have been able to Wow! customers through the relationships they forge with their associates.

**About the Author** – Robert Schaefer, Vice-President of Client Services at Steinbrecher And Associates, Inc., has over 14 years of experience helping companies align learning solutions with critical company strategies that achieve desired business results. His experience in both the design and implementation facets of training management adds significant benefits to clients in the areas of needs analysis, efficiency modeling, learning retention, statistical analysis, and capturing the return on investment (ROI) of a learning program. One of Robert's specialties in training systems design is the ability to deliver a customized, affordable and cutting-edge solution that matches the client's unique culture to their specific learning needs.

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