

## Mentoring Foundation Research Papers

### *Moments in Mentoring*

#### Research Paper 5

## Next Generation Women Leaders

### Cohort 3 and the 'Gratitude Project'

#### Introduction



Mentoring Foundation's Next  
Generation Women Leaders

Programme was established in 2014, to accelerate the development of talented women for senior executive appointments. The programme works by admitting cohorts of up to 10 Mentees at a time; and these Mentees gain access to a bespoke programme, developed just for them, that creates a network of opportunity centred around a first-class mentoring relationship and combined with facilitated action learning, including one external site visit.

In February 2016, the third cohort of women was admitted to the NGWL Programme. Members were:

- Louise Cruickshanks, Development Director, DCC Health & Beauty Solutions Ltd
- Jenny Dillon, Head of Business Partner Centre of Excellence, National Grid plc
- Susan Fouquier, Regional Managing Director, Royal Bank of Scotland Group plc
- Paula Llewellyn, Marketing Director, Insurance, Legal & General Group plc
- Gaynor Mullane, Franchise Treasurer, Royal Bank of Scotland Group plc
- Emmajane Varley, Global Head of Insight and Group CEO Communications, Employee Insight & Communications, HSBC Holdings plc.
- Abigail Vaughan, Director, Group Planning, BT Group plc
- Natallie Welch, IT Programme Manager, Severn Trent plc

As part of the group learning process for Cohort 3, in September 2016 the group enjoyed a presentation from cohort member Emmajane Varley, detailing her work, as Global Head of Insight and Group CEO Communications at HSBC, on the bank's 'Gratitude Project'.

This Research Paper considers the outcomes of that group learning experience, beginning with an explanation of the Gratitude Project and its findings and going on to consider the impact of Varley's presentation on her fellow cohort members, all but one of whom have been interviewed for this paper.

One of the outcomes reported by several cohort members has been a general increase in openness and improved communications with team members as a result of exposure to the Gratitude Project. We look at how the cohort members have changed their behaviours; how their colleagues have responded; and the key lessons that can be shared as a result of this learning experience.

#### HSBC's Gratitude Project

##### The Background

The story of the Gratitude Project begins in 2011, when the bank faced scrutiny from regulators as a result of compliance inadequacies, which ultimately led to it signing a five-year deferred prosecution agreement and admitting failures.

Stuart Gulliver, the new chief executive, took on an institution with around 330,000 employees (a number which has since dropped by about a third), at a time when morale was low as a result of negative publicity. Well aware of the impact of the reputational issues on staff morale, and observing a 50% decline of trust in leadership, the first thing

that the bank did, in November 2012, was launch HSBC Exchange.

Exchange was a new way of bringing people together, allowing employees to talk about what mattered to them most, and designed to focus on the bank's values of being open and encouraging a speak-up culture. The idea was to free up communications, and give people room to talk: anyone within the bank can host an Exchange; the host doesn't interrupt, criticise or contradict other contributors; and anything is up for discussion.

Varley said: "If you believe someone is worth talking to, then they must be worth listening to as well. Our hypothesis on Exchange was simple: if we enable employees to talk about whatever matters to them most, we create a culture where open conversation about frustrations and innovative ideas is part of the way we run the firm; and leadership no longer feels so isolated."

Today, Exchange is credited with probably one of the biggest cultural shifts ever achieved at the bank. It generated practical suggestions for improving the customer experience, streamlining processes, and growing the business. Employees who participate in regular Exchanges are more likely to see the positive impact of HSBC's strategy, more likely to feel that constructive criticism is appreciated, more likely to believe senior leaders make decisions that take them into consideration and more likely to say that conditions in their job allow them to be productive.

HSBC's own data provided evidence that a speak-up culture is being established; people are now more willing to speak up about behaviour that they consider to be wrong and not in line with the bank's values.

However, the success of a zero-tolerance directive on financial crime risk, together with the ongoing communication effort, had produced an unintended consequence: employees were talking about a "culture of fear and punishment for failure within the organisation".

The bank had witnessed one fundamental shift: where once employees did not trust

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leaders, now they no longer felt that leaders trusted them. There was a need to create an environment where people felt part of a supportive environment again, and part of a global community that worked together for a common goal.

### **Building an organisation that values gratitude**

The question was how to go about restoring trust. Varley observes that a society or a team built on fear is never going to be a thriving one; and so HSBC sought to help people connect with each other in a way that instead promoted respect, trust and gratitude.

In their article 'Gratitude - Parent of all virtues' Alex Wood, Stephen Joseph and Alex Linley state that "gratitude has a moral and pro-social affect...it is a moral motivator... a moral reinforcer, where the expression of gratitude makes the benefactor more likely to provide help in the future". While Adam Smith, better known for his book 'The Wealth of Nations', believed gratitude was vital for society, "motivating reciprocation of aid when no other legal or economic incentive encouraged its repayment". HSBC's idea was to use gratitude to create a new way of working that ignited pro-social behaviour in others. The bank set out to help people connect in a more human and personal way in the first instance, so that the relationships that developed were more likely to be altruistic ones, in which the person bestowing thanks does so selflessly and the benefactor feels their efforts are recognised. That prompts mutual respect and connects people. Connections lead to relationships, and relationships lead to trust.

In October 2015, a new tool appeared on HSBC NOW, the staff website, which worked like a standard e-card; an online platform where people could send a note of gratitude to someone else, wherever they were, and whatever their level of seniority within the organisation. Employees could also view all the notes from around the world on the homepage.

When the Gratitude tool was launched, HSBC did not want the social norm of saying thank you to feel controlled or contrived, so there

was no explicit permission for people to use it. There was no campaign telling people it was coming, and no leadership briefing. It just appeared, and its use grew organically.

Gratitude is not traditional peer-to-peer recognition. It is not linked to appraisals, pay or bonus. It is altruistic appreciation with no opportunity to game the system. HSBC believes gratitude is the new way in which employees can connect and work with others, and how people build relationships.

There are no rules. Making a cup of coffee for a colleague working late is just as valid as finalising a client deal that brings revenue to the firm. The idea is about promoting connections – not a competition. The onus is always on how many notes of gratitude someone has *bestowed*, never on how many they have *received*.

### What was the insight?

In the first six months after its launch, the Gratitude tool was used 61,500 times, equating to roughly 2,000 thank you notes sent per week. HSBC's Employee Insight team analysed the first three months of data and did two things with those 40,000 messages. First, they coded the responses and categorised them into three groups: 'doing', where someone is thanked for work they've done (57% of messages); 'being', where someone is thanked for who they are, their behaviour or their characteristics (42%); and 'others', some of which were undefined, and some which were not entirely related to thanking someone, saying Happy Birthday for example.

Secondly, the researchers linked the thank you messages with certain pieces of HR data, such as business or function, location, gender, level of seniority, and so on. Then they could see who was thanking who, and why.

Below is a summary of HSBC's findings:

- **Paying it forward:** People really liked being thanked by other people, and it led them to 'pay it forward' (pro-social behaviour) by sending a thank you note of their own. In fact, 70% of people sent their first thank you after having received one of their own. And they reacted quickly: nearly two-thirds of first time senders did it less than 24 hours after receiving their first thank you.
- **'Being' not 'doing':** People were 25% more likely to send a thank you note themselves if they had been thanked for who they are or how they do things, rather than just for what they did.
- **The pecking order:** HSBC found people were nearly three times more likely to thank a junior colleague for what they do, not how they do it. That means people were

thanking junior employees for the tasks they performed, not the qualities they possessed, and yet it was known that people respond much better to being thanked for the behaviour they exhibit rather than what they did.

- **Collaboration:** More than four out of five thank you notes were to someone in the same global business or global function, and/or the same country. So what did this siloed gratitude potentially tell HSBC about the concept of collaboration? The fact that people didn't tend to thank other people in different businesses or functions raised the question about whether people worked with others in true partnerships, or just tolerated them to get a job done. Moreover, if true collaboration was taking place, would people's networks of gratitude be wider?
- **Geography:** Employees in Europe saw the tool as a way of thanking for 'a job well done' – 60% of the thank yous from Europe were for work. That was the opposite for Asia, where 60% of their thank yous were for behaviour. This could indicate two things – what those people valued about others, and what they valued about themselves.
- **Seniority:** HSBC found that the more senior a person was, the less likely they were to even send a thank you note – even when the individual had received one themselves. They were also less likely to thank for behaviour.
- **Gender:** Women and men were just as likely as one another to bestow gratitude, and there was, in addition, no marked difference between genders in 'how' they thanked. However, although women tended to thank for behaviour marginally more than men, regardless of seniority, women's tendency to thank for behaviour dropped off at a slightly faster rate than men as they became more senior. The number of thank you notes for behaviour reduced by 29% the more senior a man became, while women reduced their tendency to thank for behaviour by 31%.

| Percent of behavioural thank you notes |       |     |
|----------------------------------------|-------|-----|
|                                        | Women | Men |
| Senior Leaders                         | 22%   | 21% |
| Line Managers                          | 34%   | 33% |
| Individual contributors                | 53%   | 50% |

Varley believes the issue with seniority is down to empathy: "Research provides evidence that the more senior you are, the more immune you are to pro-social behaviour. It's in your blind spot – you don't even spot pro-social behavioural prompts when they are in front of you," she says. "This isn't necessarily an HSBC 'thing'; external

**“Research provides evidence that the more senior you are, the more immune you are to pro-social behaviour. It’s in your blind spot – you don’t even spot pro-social behavioural prompts when they are in front of you. This isn’t necessarily an HSBC ‘thing’; external studies suggest that being in a position of power reduces empathy. So the real exam question for us in HSBC is figuring out what happens when you move up the ranks that fundamentally changes the way you bestow gratitude.”**

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Varley remarked “Most of us only ever consider the qualities, attributes or skills we’d stand to gain to be a great leader. We never once consider the attributes or qualities that we stand to lose. Or worse, that we might forget. Great leaders don’t forget the qualities and characteristics that got them there in the first place.”

Our key learning was that great leaders prompt pro-social behaviour, and gratitude is just one way of doing it.

## **PART TWO: Changing behaviours in response to the Gratitude Project**

Some six months after the first presentation to Cohort 3 about the Gratitude Project, we interviewed each of the cohort members to discuss the impact that the project had had on them. We asked them if, and how, they had changed their behaviours as leaders after learning about the findings, and went on to explore what lessons they had learned about the bestowal of gratitude; what reactions they had witnessed among their colleagues, and whether the findings had done anything to shape their views on the cultures of large organisations.

For the purposes of this research paper, we are concerned with the cultural and behavioural impacts of the Gratitude Project on members of the cohort.

Some of our interviewees discussed tools and processes adopted within their own organisations to encourage or aid the bestowal of gratitude, or ways in which they had shared HSBC’s findings internally. While we welcome these initiatives and fully support them, we do not describe those initiatives here.

## **Changing behaviours as leaders**

Following the Action Learning Group meeting, and after hearing the details of the findings of the HSBC Gratitude Project, all members of the cohort who were interviewed for this paper explained ways in which they had changed their own behaviours as leaders in the workplace.

Broadly, we can summarise by saying that the cohort members are now:

- encouraging a culture of gratitude within teams
- thanking more often, and making time to bestow gratitude
- being more thoughtful about the ways in which they express gratitude
- thanking people for how they do something, as well as what they did
- taking a more 360-degree view, and bestowing gratitude across their organisations.

The following comments outline these changes in more detail:

### ***Thanking more often and more thoughtfully***

“The research made me reflect on my own behaviour and I now am far more focussed on making the time to say thanks in much more of an open way. I have a stack of thank you cards in my drawer and have enjoyed seeing the positive impact on the people I have sent them to”.

*Paula Llewellyn, Legal & General plc*

“I have become much more thoughtful about how I thank people, and not just my direct reports. Previously I would tend to ping over a quick email, but now I’m picking up the phone, and sending handwritten notes to all my direct reports at Christmas, and they have really appreciated that.

“I think I used to say, ‘That was great, but...’. So now I’ve taken the ‘but’ away, and become much more unconditional in my gratitude.”

*Susan Fouquier, Royal Bank of Scotland Group plc*

“I have been making more effort to simply follow up and thank people for what’s been happening, by having a conversation on the phone or sitting down at someone’s desk, and taking the time to do it with people that I might not normally have done that with. I am making an effort to be more open and offer my view in a positive sense.”

*Louise Cruickshanks, DCC Health & Beauty Solutions Ltd*

“The first thing I did was in response to the finding about a virtuous circle, and the idea that if you thank, your

colleagues will thank. I realised that by doing everything on a Friday afternoon, quite often late, people weren't getting thanked until Monday morning sometimes, and so it probably got lost a little bit. So I decided not to have those rigorous times, and to try to thank as close as possible to observing there was something that I wanted to thank someone for."

*Gaynor Mullane, Royal Bank of Scotland Group plc*

### ***Thanking for 'being'***

"I have begun to step back and think, so that when I do thank people, I don't thank them for tasks, but for behaviours. I'm very conscious now of not just thanking people for their work, but for how they have done it. I don't recognise people for doing a great job without saying something about their behaviours as well."

*Abigail Vaughan, BT Group plc*

"I find there is still room for thanking people for tasks, but now I say thank you for completing the task, and I follow up by saying thank you for doing it in a particular way. So I still thank people for doing the work, which is the day job, but I always go on to say something about the way they did it."

*Natallie Welch, Severn Trent plc*

### ***Thanking across the organisation***

"I have tried to think about how difficult it can be to thank your superiors. We always do it when people leave, and write nice things in leaving cards, but I very rarely take the time to thank my line manager. So I made a point of booking some time with him to thank him for the support he has given me, because he has been really supportive, and I wanted him to know that."

*Gaynor Mullane, Royal Bank of Scotland Group plc*

"It has made me think about showing gratitude to people outside my direct reports. I was always quite good about showing gratitude down and across, but not very good at all about showing it upwards, so I'm now taking a 360-degree view a bit more."

*Natallie Welch, Severn Trent plc*

Some of our interviewees have begun diarising 'gratitude time' in their schedules, so that they can make time each week to consider who they should thank, how and why, and then act on that and bestow gratitude using the most appropriate channel. Others have chosen a much more ad hoc approach, and have tried to thank as close to the event as possible.

## **Lessons learned; responses from colleagues**

Our cohort members observed two positive outcomes from their renewed focus on bestowing gratitude. First, it made them feel good, and second, it garnered positive responses from their colleagues. There is a lot of research into the pro-social effects of gratitude, showing that thankful people make others thankful too. The bestower and the receiver of gratitude get a spike in the feel-good hormone oxytocin, and that prompts pro-social behaviour. We see that in evidence outside of the work environment all the time, and there is no reason why the same result cannot be achieved within a corporate culture.

Here are just a few of the comments from our interviewees about how bestowing gratitude made them feel:

"I was sceptical about that 'feel-good' outcome, but I do now believe in it. I diarise time on a Friday afternoon to do a bit of recognition, and it does leave me with a feel-good factor at the end of the week. Plus I like the fact that my team leave with that feel-good factor too."

*Susan Fouquier, Royal Bank of Scotland Group plc*

"My change in approach has made me feel better, because the responses I've seen have been so much more positive, and that has made me feel good. I feel like I'm hitting the mark, and maybe before I had wandered into a habitual state of just saying thanks out of habit, without giving it proper thought."

*Natallie Welch, Severn Trent plc*

Perhaps even more significant than the benefits to our interviewees are the positive outcomes that they have witnessed amongst the recipients of their gratitude. HSBC's research found that those that received thanks from other people really liked it, and were often prompted to 'pay it forward', by thanking someone else. Our cohort members found much broader positive effects as a result of their paying closer attention to saying thank you.

"With my peers I received virtually no responses, and I didn't challenge that, because I was genuinely offering

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thanks for good things I had seen. With my junior colleagues, I found my saying thank you led to more open conversations; it enabled them to think that they could have a conversation with someone who was much more senior, which is obviously a good thing. We expect that and think that it's understood, but I don't think we typically display behaviours that enable that to happen. But this has definitely opened up relationships."

*Louise Cruickshanks, DCC Health & Beauty Solutions Ltd*

Others have noticed a change amongst their colleagues because they have changed the way that they thank people, by moving from praise for tasks well done, towards praise for behaviours:

"I have seen much more immediate feedback. As soon as someone receives my email, or straight after I have spoken to them, I have seen emails then going around the rest of the team, or I have been thanked back, whereas before it might have disappeared into the ether. The people receiving thanks definitely seem to be acknowledging it more and appreciating it more, and it has a bigger impact, because I have taken the time to think about exactly what it is I am thanking them for."

*Gaynor Mullane, Royal Bank of Scotland Group plc*

**"In sum, the members of our cohort found that, after hearing about the Gratitude Project, they changed their behaviours and witnessed the very same pro-social outcomes amongst their colleagues that HSBC had anticipated and seen evidence of in their own organisation."**

"I've had people thanking me more which I normally wouldn't have had. What has also been lovely is seeing the proactive thanks being shared across all levels of the team. I've certainly seen an increase in more informal thanks peer to peer along with more formal recognition coming through to the team from across the organisation."

*Paula Llewellyn, Legal & General plc*

In sum, the members of our cohort found that, after hearing about the Gratitude Project, they changed their behaviours and witnessed the very same pro-social outcomes amongst their colleagues that HSBC had anticipated and seen evidence of in their own organisation.

## PART THREE: The Gratitude Project and Leaders

Finally, when we asked our interviewees what had most surprised them about the findings of the Gratitude Project, every single one of them referred to the HSBC observation that, as people become more senior, they are less likely to thank others for behaviour.

The findings show that the more senior you are, the less likely you are to thank for behaviour - regardless of gender. Regarding thanking others for the behaviours they exhibit, 52% of thank you notes sent by the most junior employees were for behaviour; that number dropped to just 21.5% for the most senior employees.

The members of Cohort 3 were mindful of the reasons why it might be the case that women seemed to thank less frequently for behaviour as they progressed up the organisation, and reflected upon what lessons female leaders can learn from the Gratitude Project.

"Why could it be that senior women are not as empathetic as we would expect them to be? My view is that senior posts tend to be built by men, for men, so for women to fit into that environment, we mirror the people who are in the roles where we want to end up. We develop a view of what a senior banker looks like, and think that's what we need to look like. That needs to change if we are to allow more women to thrive in senior roles.

"This is why I believe we need to have 'real models' and not just 'role models'. Women need to change their organisations as they move up, instead of changing their own behaviours. They need to do it on their own terms - for me that's the real takeaway from this research."

*Susan Fouquier, Royal Bank of Scotland Group plc*

"The only thing I can think of is that because we feel we are battling up the career ladder, we have built an armour around ourselves, and it is easy for senior women to forget the behaviours that perhaps got them on the first few rungs of the ladder in the first place. We have to remember to be good leaders, be good mentors, be collaborative and recognise good behaviours, and, in a way, make sure we don't lose our own identities."

*Louise Cruickshanks, DCC Health & Beauty Solutions Ltd*

"Empathy is a core attribute that a lot of women have, but as we get more senior we feel we need to hide a bit of our true selves, and maybe we have gone a bit too far. For me, the findings reinforce the need for authenticity, and the

need for senior women to maintain that as they move into leadership roles.”

*Gaynor Mullane, Royal Bank of Scotland Group plc*

“We build better relationships with our colleagues when we are a bit more honest and raw, and we allow people to see that we are human. I have learned over the years that I need to bring myself to work, and show when I experience self-doubt, or when I find things difficult. Maybe the issue is that women do a bit of over-compensating, and feel they need to be seen to be working very hard, and being professional, and being uber-busy, and the empathy and recognition gets left behind.”

*Abigail Vaughan, BT Group plc*

## CONCLUSIONS

What we hope becomes abundantly clear on reading this paper is the great value that Cohort 3 received from the group learning sessions that they shared on HSBC's Gratitude Project. Many of our interviewees commented on how inspiring it was to see HSBC committing resources to a project focusing on pro-social behaviour, corporate culture, and gratitude. We thank Emmajane and her colleagues at HSBC for sharing their findings with us, and the members of Cohort 3 for contributing to this research paper.

Every single one of our interviewees has taken HSBC's findings back into their own organisation, and has adapted their own behaviour in order to bestow gratitude more frequently, more thoughtfully, and with more impact. All have seen the benefits in their teams, with many witnessing more openness of communication, and a general cultural shift towards better relationships and more recognition being given.

**“Women need to change their organisations as they move up, instead of changing their own behaviours. They need to do it on their own terms – for me that's the real takeaway from this research.”**

There is a risk – for whatever reason – that ‘softer’ skills of empathy and altruistic appreciation can fall by the wayside as women move up the career ladder and focus upon developing other skillsets. Perhaps the key message from the Gratitude Project is that women leaders should not lose

sight of themselves, and should not change to the extent that they risk overlooking those core pro-social behaviours – the ones that make them leaders in the first place and encourage people to follow them.

**Peninah Thomson OBE, and Clare Coe**

**The Mentoring Foundation**

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