

An Introduction to Leadership & Performance

Constant, often dramatic, change and conflict in our larger worlds demand that, while we strive to grow more centred in ourselves; we must also adapt to ever-changing circumstances external to us.

This certainly holds true in our professional lives where, across the board, beyond the traditional competencies of intelligence (IQ) and well-developed technical abilities, new skills and abilities, are now seen as critical.

Research now suggests - as indicated in Daniel Goleman's book, Emotional Intelligence - that in hundreds and hundreds of different jobs – across a broad spectrum -- intelligence (IQ) and technical skills alone does not make for top performance.

Yes, they remain key. However, increasingly, they are seen as “threshold qualities.” That is, we need them to get the interview, but they do not make us top performers.

It is now widely agreed that what creates top performance is the add-on to these threshold qualities.

“The new yardstick for determining performance in the workplace is Emotional Intelligence (EI),” (or Emotional Quotient [EQ]), so suggests Warren Bennis in his book: On Becoming a Leader.

Emotional Intelligence is the ability to manage intelligently our own strong, perhaps negative, emotions – and to understand and deal intelligently with the emotions of those around us.

Put simply, poor emotional management is what makes smart people do dumb things: for example, saying or doing something we regret seconds after we've said or done it, being caught in a spot where we “couldn't think straight.”

We have all been there.

Emotional Intelligence is about managing and moving past the need for such counter-productive behaviours. Not only can EI be learned but also, once learned, it can help us personally and professionally to make better choices -- even in the heat of the moment – and more informed decisions.

These better choices and decisions, in turn, help us to improve performance – whether at home or at work – and free us to lead more fulfilling personal and professional lives.

This new “internal frontier” has to do with self-knowledge, self-control, authenticity and honest communication.

Using EI is about resilience in the face of setbacks, awareness of the emotions underlying our behaviours. It is openness to feedback and an ability to empathize with others – not about shutting them down or turning the issue around to being “about me” or walking away from issues frustrated and unsatisfied.

Although it does not work independently of IQ and technical skills, lack of EI can make almost impossible the skilful management of conflicts with co-workers (or partners), team members, even bosses.

In fact, in the absence of EI, we can sabotage our own best efforts to use our intelligence, education, training, skills and experience.

This new style of performance and leadership is essential in the turmoil, ambiguity and uncertainty of today's world.

“Because of the furious pace of change associated with the new economy, difficult-to-manage relationships sabotage more business than anything else. It is not a question of strategy that gets us into trouble, it is a question of emotions” says business guru John Kotter of Harvard Business School.

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Learning how to manage our emotions intelligently is not easy work. It takes courage to travel this road – but the rewards are immense. The payoff is not only in higher performance at work, but also in a more purposeful and committed personal life.

“In those fields I have studied, Emotional Intelligence is much more powerful than IQ in determining who emerges as a leader. I.Q. is a threshold competence-you need it- but it doesn’t make you a star. Emotional Intelligence can.” – Warren Bennis

From the Literature:

- A study of more than 160 high performing individuals in a variety of industries and job levels suggest Emotional Intelligence was twice as important as were intellect and expertise alone in contributing to performance excellence. (Daniel Goleman, Emotional Intelligence)
- For every 1% increase in the service climate, there is a 2% increase in revenue. This means that the better the service you provide to your customers as an organization (because your employees are managing relationships better and are happier) the higher the revenues earned and contributed to the bottom line. (Lyle Spencer – paper presented at the meeting of the Consortium for Research on Emotional Intelligence for Organizations-April 2001)
- How people feel about working for a company can account for 20% to 30% shift in business performance.
- 50-70% of how people feel about the organization can be traced back to the leader. This means that the business can shift dramatically in either direction based on resonant or dissonant leadership within any given organization. (Stephen P. Kelner Jr., Christine A. Rivers, and Kathleen H. O’Connell, “ Managerial Style as a Behavioural Predictor of organizational climate” (Boston Mcter & Company 1996)
- 4 of every 10 people are not able to work cooperatively with their colleagues. More than 300 company sponsored studies gives more weight to emotional competencies than to cognitive ability. In an unstable environment, lack of EQ means certain failure.
- Organizations going through the greatest change need EQ the most (Daniel Goleman, Richard Boyatzis, Annie McKee, Primal Leadership: realizing the power of emotional intelligence – Harvard Business School Press 2002)

American Express Financial Advisors Case Study

While many studies demonstrate the positive impact of emotional competence training, (one of the best case studies to date was designed and implemented by Kate Cannon and colleagues of American Express (AMEX) in the early 1990’s. Internal research at AMEX found that, for some reason, clients who clearly needed and wanted life insurance were not buying it. This fundamental question drove Cannon and her group from the life insurance division at American Express Financial Advisors to understand what was behind their clients’ purchasing behavior.

Their findings perplexed them. The major barrier to the purchase of life insurance had nothing to do with the technical competence or the sales ability of the agent. It did not even have anything to do with the clients’ personal need. Instead, the main barrier to purchasing was the financial advisors’ emotional reactions to the process.

Several evaluation studies conducted on different versions of Emotional Intelligence Training showed impressive results. As a result, the company developed and tested a training program designed to help financial advisors cope more effectively with the emotional conflicts that they sometimes encountered in working with clients around life insurance matters (e.g. the fear of discussing death in the case of life

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insurance). This early pilot program eventually became what is now known as the Emotional Competence Training Program.

This program emphasizes the competencies of emotional self-awareness, self-control, empathy, optimism, and communication. In the leadership version of the program, managers were trained to enhance their competency in “developing others”.

Since 1994, the program continues to be offered throughout the company. In addition, to being a standard requirement of the training programs for new financial advisors and managers, many other versions are available to veterans, field management teams, central office management teams, and sales consultants. (From the Emotional Intelligence Research consortium Best Practice Case Study)

These type of competencies should form part of the overall employee assessment program and hiring principals should include competency-based interviews. OLIVER