

Emotional Intelligence

Leadership prescription for tough times

In 1998, internationally known psychologist Daniel Goleman published *Working with Emotional Intelligence*, a book linking success in business leadership with emotional intelligence, which he described as “the capacity for recognizing our own feelings and those of others, for motivating ourselves, for managing emotions well in ourselves and in our relationships.”

Goleman’s book had all the earmarks of a classic fad: a best-seller featuring ideas and concepts borrowed from outside the business world; articles and follow-ups in dozens of professional magazines, including the *Harvard Business Review*; seminars at scores of professional meetings and conventions; and serious discussions in hundreds of executive suites and HR departments across the country and around the world.

But a funny thing happened to emotional intelligence on the way to being forgotten. It wasn’t.

In fact, far from joining other management fads that have come and gone in the ensuing decade, the qualities that comprise emotional intelligence are more critical to the success of business leaders than ever.

The reasons for this enduring value can be found in the ways the business environment has evolved since the 1990s – including the deepening downturn of the last few months – and in how the core qualities of emotional intelligence help leaders strengthen their effectiveness in that changing environment.

A quick review: what is emotional intelligence?

Goleman’s book argues that effective business leaders are distinguished not by their native intelligence (IQ) or subject knowledge, but by emotional intelligence, which in the context of the workplace includes characteristics like self-awareness and self-control; the ability to communicate and influence others; and facility at building bonds and creating group synergies.

Of course, we’ve always known that effective leaders are good motivators. But Goleman was one of the first to undertake such a comprehensive examination of these qualities as they relate to organizational leadership. He was also a pioneer in the use of empirical data to demonstrate that emotional intelligence drives positive business outcomes.

And that’s the real reason for the business world’s collective interest in emotional intelligence. It helped leaders successfully address fundamental challenges in a changing workplace and drive performance.

Business leaders today are grappling with the same fundamental challenges, and the recent economic downturn is only likely to exacerbate them.

Challenge 1: leaner organizations with blurring structures. A manager who retired 50 years ago would be astonished at the ways we accomplish business tasks today. Where is everyone?

Gone, in most cases. The intensified competition of a global economy, combined with the twin shocks of the dot-com bubble and the events of 9/11, led many businesses to trim staff in the early years of the new century – and most have kept the weight off.

Leaner organizations have two immediate consequences for their leaders. First, there’s no ‘second string’ to back them up, and fewer opportunities for the next generation of leaders to test their wings on smaller or less essential work. Leaders must lead effectively from their first day in the job.

Second, essential jobs are more and more often accomplished by ad-hoc teams, with many key team members having at best a dotted-line relationship to the manager in charge. Recently we worked with the senior manager of a major technology company’s global sales organization. He was responsible for achieving sales targets in the billions of dollars, through thousands of sales professionals – with only a handful of direct reports.

A story in the Wall Street Journal last May captured the challenge succinctly: “Managers say they increasingly must influence – rather than command – others in order to get their own jobs done. The trend is the result of leaner corporate hierarchies and the erosion of division walls. Managers now work more often with peers where lines of authority aren’t clear or don’t exist.”

Leading by influence rather than command, as more and more managers and executives are discovering, requires the full range of emotional intelligence competencies.

Challenge 2: a workforce in flux. A colleague of ours recently confided that she had been stunned the first day her new administrative assistant reported to work. In an office where business dress was the norm, he showed up in a casual short-sleeved shirt barely hiding his tattoo and an earring, albeit small and tasteful, in his ear. She added that the young man had turned out to be a great assistant with an excellent, highly professional work ethic – a fact she realized only after she put aside her preconceptions.

Generational change may be nothing new in business. But like our colleague, the managers we work with are experiencing a degree of change that is new.

First, there’s the sheer complexity of our current workforce. In the senior ranks, the veterans of the Greatest Generation have given way to ambitious Boomers, who are now being replaced by a profusion of generations too confusing to remember: Generation X, Generation Y, Millennials, Nexters.

There's also a more fundamental difference to today's shifts. In past generational changes, new workers tended to adjust their expectations and behavior to the realities of the workplace. Today's new generations expect the workplace will adjust to them and – for better or worse – it is, as our co-worker's experience demonstrates in a small way.

The real challenges presented to leaders today are far more serious than unusual jewelry, of course. Each of these generations of workers has its own values, career goals, strengths, and expectations of leaders. And in today's leaner organizations, they're all likely to be represented in the teams attacking serious issues.

How do you lead such a heterogeneous team? How do you manage their expectations and motivate them toward the collaborative goals you're charged with achieving?

Emotional intelligence sharpens the skills leaders need to understand the behavior and motivation of co-workers with different values, and to find the common ground that can build a cohesive, effective team to tackle the tasks at hand.

Challenge 3: changing roles for leaders. In our consultative work, Hay Group is constantly evaluating and measuring how work gets done. We've found a new leadership role becoming more and more prominent in organizations across all business categories: the collaborative leader.

This collaborative role is different from traditional command and control leadership, in which a manager directly controls the human resources necessary to accomplish business goals. In the collaborative role, managers are responsible for coordinating the work of people under their control along with other resources outside their authority, possibly outside their company.

Despite this shift in roles, however, collaborative leaders are still responsible for delivering significant, measurable results. The technology sales manager we mentioned earlier put it this way: "For any given project, half my team is spread across Europe and Asia, and at least a third are outside my authority. How do I lead a team like that?"

How, in other words, are managers to meet their performance responsibilities when they don't control the resources necessary to meet them? Succeeding in this new role requires leadership skills in partnering, networking, influencing, and motivating – the competencies fostered by emotional intelligence.

This new collaborative role isn't limited to middle managers, incidentally. Our research has found a similar shift in the role of CEOs, who are more and more often called upon to assemble a team of talented, experienced, confident, and successful leaders – and lead them in a single direction.

Compounding these challenges: economic conditions.

As if these converging challenges weren't enough, the strains of keeping an organization on course during a business downturn heighten the effects of all of them – and again point toward the

competencies of emotional intelligence as essential tools for today's business leaders.

If you think your company was lean last year, check the directory in six months. If you've been tested by the generational flux you've experienced in your workplace up until now, this coming year will leave your head spinning.

Most of all, if you think that leadership qualities like trust, integrity, and empathy are 'soft' skills that are desirable but not absolutely essential, think again.

In difficult times, when organizations and their employees face significant uncertainty on all sides, leaders must operate with transparency and integrity to keep their organization moving forward. They must inspire trust, and lead with empathy, to keep workers focused and motivated.

In short, leaders must master the competencies that comprise emotional intelligence to achieve the business results they seek.

Fortunately, as Goleman has shown, emotional intelligence can be developed. More than a set of skills or innate intelligence, emotional intelligence is a matter of behavior – and, as we all know, through increased awareness and a lot of hard work, we can develop new behaviors over time. The key is a commitment to change, and the continued practice – at first very consciously – of the desired new behaviors.

What are those behaviors? In our work, we've found that highly emotionally intelligent leaders tend to:

- listen more than they talk
- emphasize the how's and why's, instead of simply telling people what to do
- engage team members and recognize their contributions rather than continually criticizing and correcting their mistakes
- understand what energizes and engages people on their teams – and create environments that foster that energy.

And if these ideas sound like so much fuzzyheaded mumbo-jumbo, well, they're not. In fact, scientists are learning there is actually a neurological basis for the success of emotionally intelligent leadership – that empathetic leaders actually modify their own brain chemistry and that of their followers.

Perhaps more to the point, however, emotionally intelligent leadership delivers results. Research has confirmed a significant performance gap between leaders who display the qualities of emotional intelligence and those who don't. Hay Group's own work has revealed that the most admired organizations report their executives demonstrate higher degrees of emotional intelligence – and that the lack of these qualities contribute significantly to the failure of high-potential executives.

Emotional intelligence has endured because it really is essential to effective organizational leadership. And that's even more true now than when it was introduced ten years ago.

See this article in the winter issue of HR Matters.

About the Authors

Michael Lamb is a practice leader with our leadership and talent group, and **Scott Spreier** is a senior consultant with Hay Group's McClelland Center for Research and Innovation.