

Emotionally Intelligent Leadership

Leadership and Emotions

Copyright © 2005 Claus Møller Consulting. All rights reserved.

This work may not be altered in any way, but may be distributed freely in its current form including all copyright notices.

By Claus Møller

All leadership works – and has always worked – through emotions. Every undisputable leader has earned their reputation because their leadership was emotionally compelling to a larger or smaller group of followers.

The human history is full of leaders and in all cultures the leader of a group has always been the one to whom others look for assurance, clarity and approval. This applies both to great leaders and morally questionable leaders; both to dictators who, with reprehensive messages, have appealed to people's feelings of insecurity and fear and induced their followers to commit the most cruel and barbarian acts, and to great leaders who have inspired, ignited people's passion and brought out the best in their followers. The leader of any group acts as the group's emotional guide. And in today's organisations a fundamental task of leaders is still emotional.

Leadership in corporations goes beyond reaching a short-term goal or ensuring that a job is well done. It is also about driving the collective emotions in a positive direction – and avoiding or controlling deadly emotions. Deadly emotions like fear, anxiety, anger, hostility, envy, jealousy, not to mention greed and selfishness can have fatal consequences for an organisation, as we have seen time and time again, not least recently. Thus nothing can be more important for the owners and boards of companies than to ensure that, in addition to their required professional skills, the leaders and managers of the corporation also have leadership skills; the social and emotional competencies required to handle their own and other people's emotions, and to drive these emotions in the right direction. If leaders fail to drive emotions in the right direction, everything else they do might not have the positive impact that they intended. No matter what leaders want to achieve, their success depends on how they do it. Successful corporate leaders understand how emotions affect both tangibles like bottom-line results and the retention of talent, and intangibles like work morale, motivation and commitment. Successful corporate leaders have the social and emotional intelligence required to make the emotions in their group work for – and not against – the interests of the organisation.

What constitutes emotional intelligence?

Emotional intelligence has two aspects: the intrapersonal capacity, and the interpersonal capacity.

- *Intrapersonal capacity* has to do with self-awareness – how well we know and understand ourselves, our strengths and weaknesses, our emotions, and can put them to the test against realities, and if we are able to express our thoughts and feelings in a non-destructive way. It also has something to do with how good we are at making our emotions work for, and not against us, how good we are at handling stress, solving problems, and motivating ourselves.
- *Interpersonal capacity*, sometimes called social intelligence, has to do with how good we are at recognising and understanding the feelings, needs and concerns of those around us, how good we are at establishing and maintaining relationships with others and to what extent we feel part of the social groups we belong to, and are cooperative and contributing members of these groups.

Emotions decide how we perceive the world

It is a well-documented fact that when we feel good we work at our best. Feeling good makes us better at understanding information, more flexible in our thinking and more effective in our decision-making. Feeling good makes us see other people – and events – more positively. It makes us more helpful towards others and more optimistic about achieving our goals. We prefer being with people who are in a good mood and who display positive emotions – because they make us feel good too. Good and bad moods can distort our perception and our memories. When we feel good we perceive the situation in a positive light. When we feel bad we have a tendency to focus on the negatives. Negative emotions like anger, anxiety and apathy disrupt our work and take focus away from the task at hand. Distress can undermine our mental abilities and make us act in less emotionally intelligent ways. When we are upset we have trouble reading emotions in other people accurately and this impairs our empathy and our social skills. The emotions we have while working directly reflect the true quality of our work life. Positive emotions at work are the strongest predictor of employee satisfaction – and of how likely people are to quit their work. Thus it is obvious that people at all levels of an organisation who work together are better off when working with colleagues who are emotionally intelligent and in an environment and under managers that encourage emotionally intelligent behaviours.

Everyone watches the boss

The leader's emotions are contagious. It is a business reality that everyone watches the boss. People take their emotional cues from the leader. Even if a top boss is not highly visible, his or her attitude affects the mood of the management team, which in turn can be transmitted downwards in the hierarchy – and thus affect the emotional climate of an entire organisation. Observations of working groups in action have revealed how leaders play a central role in determining the shared emotions. Some of the findings were that leaders typically talk more than anyone else, and what they say is listened to more carefully.

Leaders are usually also the first to speak up on a subject. When others make comments, they more often refer to what the leader said than to anyone else's comments. And since the leaders' way of seeing things has special weight, they strongly influence the way the group interprets and responds emotionally to a given situation.

The leaders' impact on emotions goes beyond what they say. Even when leaders are not talking, they are watched more carefully than anyone else in the group. When people raise a question for the group as a whole, they keep their eyes on the leader to see his or her reaction. Group members generally see the leader's emotional reaction as the most valid response – particularly in an ambiguous situation, where people react differently.

Leaders set the emotional standards

Leaders influence group emotions by setting the emotional standards. Leaders can give recognition or withhold it. Leaders can criticise constructively – or destructively. Leaders can offer support – or turn a blind eye to people's needs. Leaders can guide and give a sense of clarity and direction in their work – or not. Leaders can invite group members to participate with their ideas – or not. Leaders can give open and honest information – or hide the truth. Leaders can practise what they preach – or not. Leaders can express the group's vision and mission in ways that make people identify with them – or not. But not every formal leader is necessarily the emotional leader of a group. When the formal leader lacks credibility people may choose an emotional leader whom they trust and respect, and this emotional leader will then be the one who shapes the group's emotional reaction. This can happen when someone has been appointed a leader for other reasons than leadership competencies like kinship or professional skills, without having the necessary people skills. CEO's with bad people skills often have a second in command with good people skills.

Leadership – hard versus soft issues

A leader's ability to manage own moods and affect the moods of others is not a private matter only – it has a direct impact on business results, since the leader's emotions and moods dramatically influence the quantity and quality of the work people do. In the past it was easier for formal managers to focus on hard issues, on bottom line results and ignore their own style and behaviour and the effect it would have on those they were leading. Today we know that the mood and tone of leaders have an enormous impact on those they lead. The leaders' mood and tone can drive people towards anger, hostility, apathy – or towards optimism, commitment and pride. Major surveys, like the Gallup Survey quoted by Marcus Buckingham and Curt Hoffman in their book *First Break All the Rules* suggest that 50-70 percent of the factors influencing how employees perceive the organisational climate can be traced to the moods, behaviour and actions of one person, their immediate superior. The immediate manager highly influences the conditions that determine people's ability to perform at their best, and thus the economic outcome. Managers spreading bad moods are bad for business. Managers spreading good moods promote business success. The ability of a leader to drive his team into an enthusiastic and cooperative mood can determine its success. But when emotional conflicts take energy and focus away from the tasks at hand, the performance of the team will suffer.

In his study of 139 different business units (a total of 5,589 employees) within the service sector in US, Europe, Mexico and Asia, described in the book *Practise What You Preach*, David Maister supports the conclusions of Buckingham & Hoffman that there is a casual link between the profitability of a company and how well the employees enjoy their work and the working climate. He also refers to others who have come to the same conclusion like Heskett, Sasser & Schlesinger in *The Service Profit Chain*, Kotter & Heskett in *Corporate Culture and Performance* and Collins & Porras in *Built to Last*.

Maister claims that among the top factors predicting profitability are the issues of trust and respect. Statistical analyses of the data collected showed that when trust and respect between management and employees are high, financial performance predictably goes up. The most profitable units shared some of the same characteristics:

- Individual managers acted in the interest of their group, not just in their own interest.
- People's personal potential was being fulfilled, according to those who were being managed.
- There was a high degree of loyalty and commitment, driven by individual managers.
- Compensation systems were being equitably managed.

The study also showed that management success is mostly about the personality of the individual manager for an operating unit; optimistic and enthusiastic leaders retained their people more easily than leaders who displayed negative moods. In units where turnover was high people tended to leave their immediate leaders, not the company.

Who is a leader?

Leadership resides not solely in formal managers – but in every person at every level who acts as a leader to a group of followers. To some extent we are all leaders – and we all need to exercise leadership behaviour in our own work. The fundamental task of any leader, at any level, is to evoke good feelings in those they lead. That occurs when leaders create rapport and the positive energy that brings out the best in people. The emotional and moral dimension of leadership determines whether everything else a leader does will work as well as it could. Emotionally intelligent leadership is not about being overly nice. It includes putting reasonable work demands on people – without upsetting them. Emotionally intelligent leaders know how to inspire, arouse passion and keep people motivated and committed. They are aware of how their own communication, their style and behaviour affect other people's moods and performance. Emotionally intelligent leaders practise what they preach, they are transparent and honest – even about painful truths. They are able to generate energy and optimism. They give people a sense of clarity and direction. They encourage others to do their best. They can manage difficult situations, chaos and turbulent change. Emotionally intelligent leaders create an emotional climate that fosters commitment, innovation, loyalty and – above all – trust which is basis for good relationships.

Since leaders have such an important role to play in dealing with the soft issues of bringing out the best in the people they are set to lead, and since this has such direct implications on the bottom line results of an organisation, it pays for corporations to invest in emotionally intelligent leadership at all levels of the organisation.

Just imagine what our lives would look like if the organisations where we spend our working life were full of rapport, energy and vitality – and had leaders who inspired us. Imagine what an organisation would be like if the concept of emotionally intelligent leadership was a founding principle and if recruiting and hiring would focus on those with the EI skills for leadership. Imagine what an organisation would be like if promotions and development would be based on EI skills for leadership and if learning for EI leadership skills would be an integral part of working life. Then the entire organisation would be an attractive work place where people would thrive and develop and bring out their best.

So the advantages for an organisation of raising its collective emotional intelligence are definitely there. And the good news is that emotional intelligence can be learned. At the individual level, elements of emotional intelligence can be identified, assessed and upgraded. At the team level it means fine-tuning the interpersonal dynamics that make the team smarter. And at the organisational level it means revising the value hierarchy to make emotional intelligence a priority – in terms of hiring, training and development, performance evaluation, and promotions in order to have emotionally intelligent leaders at all levels of the organisation.

By making sure that emotional intelligence is an organisational priority – and that the selection of leaders, at all levels including board level, is based on personal and emotional qualities in addition to professional skills, companies and their owners can try to safeguard themselves against many an evil, for instance against the corruption and personal greed/selfishness of top leaders and managers, resulting in such financial scandals as those recently revealed in companies like Enron, WorldCom, Skandia and others.

As founder of one of the world's leading corporate training and soft consulting companies, Claus Møller has 30 years of experience in improving personal and organisational effectiveness. He has been a pioneer in the areas of personal, team and organisational quality and service management. He has developed groundbreaking concepts in business like "Time Manager", "Putting People First", "The Human Side of Quality", "Employee-ship" (what it takes to be a good employee), "Teamship" (what it takes to be a good team), and "Organisational EI". He has written more than ten books on these topics, and his ideas have been implemented by numerous well-known organisations around the world. He is one of the most important business gurus of our times. Based on his specific approach to training and consulting, his avid interest in emotional intelligence was natural and inevitable. Claus Møller has explored how best to describe, monitor and apply emotional intelligence and related areas to improve effectiveness in the corporate setting and on the individual as well as on the organisational level. Since the late 1970s he has been involved with the development of EI-related training instruments and programmes.

1. Gallup analysis of 200,000 employees at 700 US companies. Marcus Buckingham & Curt Hoffman. *First Break All the Rules*.
2. *The 8 practices of Exceptional Companies*. Jack Fitz-Ens, N.Y. Amacom 1997
3. *Practise What You Preach*. David Maister, The Free Press, N.Y 2001
4. *Heart Work – Improving personal and organisational effectiveness by developing and applying Emotional Intelligence – "EI"*, Claus Møller with Reuven Bar-On, TMI A/S 2000