



# Balancing Emotional Intelligence to Enlighten Transformational Leadership

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## Abstract

"...The success of the organizational changes is dependent on leadership. As difficult as organizational change can be, leadership change is exponentially more challenging. Leadership often is the slowest to change in response to environmental and organizational demands." In this age of knowledge workers, intellectual capital, connecting learning across the organization and leveraging human capital, act of Emotional Intelligence provides us a major clue to competitiveness. Most societies and that includes business organizations, are caught between two conflicting needs: one for managers to maintain the balance for operations and one for leaders to create new approaches and imagine new areas to explore. One might well ask why there is a conflict. Can't both managers and leaders exist in the same society? ...or even better, can't the same person be both, a manager and a leader? A bureaucratic society, which breeds managers, may stifle young leaders who need mentors and emotional interchange to develop. Effective management of organizations and human resources is facing enormous challenges. Organizations are downsizing, reengineering themselves to compete in the global market and facing an explosion of available information (Luthans, 1998). Max Messmer (1999), CEO of Robert Half, said in a recent survey of 150 executives from some of the nation's largest companies, that leadership skills were identified as the most important assets of managers. The present paper is an examination of how Emotional Intelligence (EI) affects a manager's ability to make effective decisions so as to be regarded as an effective leader. It discusses about the importance of specific emotional attributes needed by a leader to make qualitative and effective decisions.

## Introduction

Ever since the publication of Daniel Goleman's first book on the topic in 1995, emotional intelligence has become one of the hottest buzzwords in corporate world. For instance, when the Harvard Business Review published an article on the topic two years ago, it attracted a higher percentage of readers than any other article published in that periodical in the last 40 years. When the CEO of Johnson & Johnson read that article, he was so impressed that he had copies sent out to the 400 top executives in

the company worldwide.

Emotional intelligence is defined as a person's self-awareness, self-confidence, self-control, commitment and integrity, and a person's ability to communicate, influence, initiate change and accept change (Goleman, 1998). Studies have shown that emotional intelligence impacts a leader's ability to be effective (Goleman, 1998). Goleman identified the five 'domains' of EQ as:

1. Knowing your emotions.
2. Managing your own emotions.
3. Motivating you.
4. Recognizing and understanding other people's emotions.
5. Managing relationships, i.e., managing the emotions of others

Three of the most important aspects of emotional intelligence for a leader's ability to make effective decisions are self-awareness, communication and influence, and commitment and integrity. Managers who do not develop their emotional intelligence have difficulty in building good relationships with peers, subordinates, superiors and clients (Goleman, 1998).

Emotional Intelligence embraces and draws from numerous other branches of behavioural, emotional and communications theories, such as NLP (Neuro-Linguistic Programming), Transactional Analysis, and empathy. By developing our Emotional Intelligence in these areas and the five EQ domains we can become more productive and successful at what we do, and help others to be more productive and successful too. The process and outcomes of Emotional Intelligence development also contain many elements known to reduce stress for individuals and organizations, by decreasing conflict, improving relationships and understanding, and increasing stability, continuity and harmony.

## Leadership

Leadership is a legacy that prepares others to carry on with courage, determination and the ability to see the larger picture. True leadership is the ability to be a catalyst for change, to inspire and persuade people to follow the righteous path. Empowering one's followers rather than controlling them is the hallmark of a true leader. What makes a person a leader is still debated, but according to Warren Bennis (1994) all leaders seem to share

some common traits. The first is a guiding vision or purpose. A leader has a clear idea of what she or he wants to do professionally and personally, and will pursue the goal regardless of the setbacks. The second characteristic is passion or enthusiasm and the ability to communicate that passion to others. Third, is integrity, consisting of three ingredients: self-knowledge, candor and maturity. Self-knowledge is knowing one's strengths and weaknesses. Candor is being honest with yourself and is the key to knowing yourself. Maturity is the result of the lessons learned through following, while observing others, learning to be dedicated, and working with others. It is being truthful and never servile. The last two traits go hand in hand: curiosity and daring. A leader wants to learn as much as possible and is willing to take risks.

### **“Emotional Intelligence has an enormous impact in the Workplace...”**

In a new book, "Working with E.I." (Bantam), Goleman focuses on the need for E.I. at work, an area often concerned more head than heart. Not only do the bosses and corporate need high need of E.I., but every people-oriented job demands it too. Goleman says cognitive skills 'get you in the door' of a company, but emotional skills helps you thrive once you are hired. For some time we have recognized the importance of these components of emotional intelligence to those who go about their 'work' on the sporting field and intuitively we have understood their importance in the more traditional workplace. However, it has only been in recent times that strong empirical evidence has been gathered which highlight the enormous impact high emotional intelligence can have in the workplace. Researchers have gathered data from hundreds of companies and thousands of executives measuring the importance of individual emotional intelligence competencies, as well as the clusters of emotional intelligence competencies that make up each domain. Goleman's own findings are typical. When he compared star performers with average performers in senior leadership positions, he found that nearly 90% of the difference in their profiles was attributable to emotional intelligence factors.

### **“EI is the sine qua non of leadership...”**

Bosses and leaders in particular need a high EQ because they represent the organization to the public, they interact with the highest number of people within and outside the organization and they set the tone for employee morale, says Goleman.

'E.I. affects just everything you do at work,' says Goleman. Even when you work in a solitary setting, how well you work has a lot to do with how well you discipline and motivate yourself. As Mr. Goleman wrote in the Harvard Business Review 1998, 'It's not that IQ and technical skills are irrelevant. They do matter, but mainly as threshold capabilities, that are they are entry-level

requirements for executive positions. My research, along with other studies, clearly shows that emotional intelligence is the sine qua non of leadership.' If the ultimate leader does not champion the effort, it won't be perceived as important. If it's not perceived as important, it's not likely to get done. Emotional Intelligence does not fit the classic historical models of leadership. The latter are usually associated with great figures of military history and conjure up charismatic and sometimes despotic images. However, people often use the same language for leadership today - bold, brave and tough with a strong sense of purpose and resolve. However, this does not fit today's needs, because:

- today's workforce does not accept the autocratic style often adopted by leaders following historical models of leadership.
- leadership has had to evolve to match a growing sense of democracy and independence in the workforce
- employees now have far more options and choices than the foot soldiers of yesterday

Leaders now need to manage and lead an “empowered” workforce and go beyond the consultative, co-operative and democratic styles of today. These new demands include:

- consultation and involvement – but leaders still get criticised for not having and communicating a compelling vision and purpose
- autonomy and freedom – but leaders are still expected to take full responsibility when things go wrong
- opportunities for growth, challenge and glory - but leaders must be on hand to coach and mentor us so that we develop our potential
- inclusion and team spirit – but we still want our leaders to give us individual recognition and acknowledgement.

### **A Leader with Emotional Intelligence**

These findings are consistent with Patricia Pitcher's (1999) description of a company led by one CEO with high emotional intelligence that was succeeded by a CEO without emotional intelligence. She began with a description of the high emotional intelligence CEO (the artist) who took over a medium-sized company. He had a vision to build the company into a global corporation "operating in general and life insurance, banking, trust and investments services" (p. 32) spanning the world. This dream of his was during the time when most people believed banking and insurance would never meet. After 15 years, the company was worth \$20 billion dollars and was an integrated service company in Europe, Asia and North America. The CEO's colleagues described him as a warm, generous, people-oriented, imaginative, daring and funny person. Patricia Pitcher explains the generous, people-oriented attributes helped him attract and keep great colleagues and investors. His emotional and inspiring traits allowed his enthusiasm to spread. The visionary, daring, intuitive and unpredictable qualities helped him to keep focused

on the goal, avoid short-term gratifications and achieve his goal. His open-mindedness helped the company and himself to develop and retain different kinds of people. This ensured new ideas and fresh approaches to problem solving. The CEO surrounded himself with the best talent he could find. He decentralized the power structure allowing his talented staff to express themselves in their own way. He sat on the independent boards and asked questions, but did not interfere with his staff. The other executives included artists and six craftsmen. The craftsmen were described as being well balanced, trustworthy, reasonable, sensible and realistic. They were complementary to the artists. These craftsmen knew what worked and what did not. They understood that people made mistakes, but they learned from them, and if you drove out error, you drove out innovation. These people dealt with the day-to-day operations. There were six other people in the company whom Pitcher calls the technocrats. These people were described as being "intense, determined, uncompromising, hardheaded, cerebral and analytical." They were often called "brilliant, stiff and distant." (p. 32) Their interpersonal relationships lacked depth, and they misread the people around them. She described the technocrats as people who thought they were "realistic and sensible, even imaginative, but no one else did" (p. 32). Technocrats erred in their judgments of others, markets and situations. They did not learn from the mistakes because they thought others were at fault. Those who made errors would be fired. The article goes on to describe what happened when the CEO felt it was time for him to leave and let 'fresh air' into the company.

### **A Leader without Emotional Intelligence**

In 1980 the company leadership was given to the second-in-command, a technocrat. This leader was analytical, uncompromising and brilliant. Patricia Pitcher believes such a person would find decentralization a sloppy way of doing business. So, the new CEO started to centralize the decision-making processes. He created a new head office that replaced the subsidiaries' authority. All of the craftsmen and artists running the subsidiaries were gradually fired and replaced by 'competent professionals' or technocrats by 1992. Within three years the "organization was dead." If the 'professionals' were so brilliant, what caused the company to fail?

Pitcher suggests that the company failed because "If you [do not have] respect for the emotional qualities that come in the imaginative package, you drive out the peculiar vision of an Artist. If you equate experienced with outmoded or old-fashioned, you drive out the Craftsman, who inspires the loyalty and the dedication, and who knows what making widgets is all about. If you fire people for making one mistake, nobody's going to go out on a limb to make any...Innovation stops! An organization without loyalty, dedication, skill and dreams can go downhill very

fast" (p. 33). She points out that running a modern company requires "all kinds of perspectives – even the cerebral, analytical and uncompromising. The Artists and Craftsmen can live with those different perspectives, but the Technocrat cannot" (p. 33). What does this perspective reveal about the relationship between emotional intelligence and leadership effectiveness?

To answer the question, an examination of the influence of emotional intelligence on the two leaders is required. The first Chief Executive Officer demonstrated most of the attributes associated with emotional intelligence. Accurate self-assessment (self-awareness) was demonstrated by his ability to know his limits and his strengths. He surrounded himself with people who had abilities he did not, e.g. the craftsmen, other artists and technocrats. Daring to follow his dream demonstrated self-confidence (self-awareness) and innovation (self-regulation), aspects of emotional intelligence (Goleman, 1998). His openness to new ideas, decentralization of power and his constant learning (shown by asking questions at board meetings and listening to the responses), demonstrated empathy.

Empathy is being aware of the feelings of others, their concerns and needs. It can be broken down into seeking understanding, development of others' abilities, leveraging diversity to allow new ideas and opportunities to be heard, and being politically aware of a team's needs and power structure (Goleman, 1998). The CEO's social skill, another aspect of emotional intelligence, was demonstrated by cultivating relationships with investors, colleagues, and his employees. These aspects lead to trust which is the second most important characteristic of emotional intelligence (Cooper, 1997).

Trustworthiness is an important element in a leader's makeup as shown in the previously described study. Without trust, much time and effort is spent on non-productive activities because leaders feel compelled to draw up procedures in great detail, even for simple transactions (Copper, 1997). Innovation will stop when subordinates do not trust the leaders. Creativity will vanish if the sense of trust in an organization is lost and if people are preoccupied with protecting their backs. (Cooper, 1997). The second CEO probably lost the trust of his employees as a result of his lack of emotional intelligence. Because the new CEO was not aware of how his actions and emotions were affecting others, he could be considered to be lacking in emotional intelligence (Ryback, 1998). Pitcher said that he blamed others for problems and did not look at the situational forces people were reacting to. In order for the technocratic leader to be able to see the situation realistically he must be aware of his own influence on the situation and the motives of others involved. According to Manfred F R Kets de Vries "to be able to decipher these deeper motives-to tease out the emotional, cognitive, and experiential components...requires the capacity to "listen with the third ear... an awareness about our own feelings, the knowledge and skill to



handle those feelings, and an appreciation of emotions in other people (empathy)" (1999, p. 752). Mike Miller's (1999) opinion is that many managers fail because they are too rigid and have poor relationships. As a consequence they are unable to adapt to changes in the business environment, organization, culture, work processes, and technology. Managers unable to receive or respond to feedback are unable to determine how they need to change their approach to leading others. This will alienate the people they work with by "being overly harsh in their criticisms, manipulative, insensitive, unethical, and untrustworthy. They cling to autocratic, outdated methods of direction and control. These managers demonstrate clearly that being technically talented is not enough to drive success" (Miller, 1999, p. 25).

It is apparent the second CEO was ignoring how his emotions influenced his actions in favor of an analytical or autocratic approach to management. Without emotional intelligence, the technocrat CEO was limited in his ability to influence people in a positive way, e.g. he did not help people to develop their potential. Being able to influence people is an important part of being an effective leader. It is easy to assign a project. It is another matter to persuade a colleague or superior to change his or her mind about a policy decision (Church, Waclawski, 1999). Clearly the major difference between the first and second CEOs was the level of emotional intelligence shown by each.

An example of how emotional intelligence is used to express leadership is in the book "Seven Habits of Highly Effective People" by Stephen R. Covey (1989). According to Covey the effect of developing the first three habits significantly increases self-confidence. You will come to know yourself in a deeper, more meaningful way. Understanding of one's nature, deepest set of values and unique contribution capacity becomes clearer. This is the foundation of emotional intelligence as defined by Daniel Goleman – self-awareness. It is also the building of motivational ability. Covey continues, saying that as the first three habits continue to be developed, one's sense of identity, integrity, controls and inner-directedness will increase. There will be an increase in caring about what others think of themselves and their relationship to you. This is the development of the self-regulation and empathy aspects of emotional intelligence. The next three habits describe the social skills of emotional intelligence. They help a person to heal and rebuild important relationships. Good relationships will improve, becoming more solid, more creative and more adventuresome. The seventh habit is developing one's self through the use of the first six habits. It is taking the time to reflect or further develop self-awareness.

## Conclusion

The paper suggests that managers who don't feel a responsibility to others, can't handle stress, are unaware of their own emotions, lack the ability to understand others, or erupt into anger easily, are

viewed as likely to derail due to problems dealing with other people. High scores from direct reports on Difficulty Changing or Adapting were related to EQ-i scores on stress tolerance, and impulse control. Managers who resist change and growth, as high scores on this derailment factor imply, may be plainly visible to direct reports. Self-Awareness is key to leadership development and is a skill to handling stress. The more accurately we can identify and monitor our emotional upsets, the faster we can recover. Self-awareness can be developed through the practice of seeking on-going feedback. Ask supervisors and co-workers who know you well for honest feedback on how your behavior is impacting them. Use opportunities to self-reflect upon adversity – business failures, demotions, missed promotions, unchallenging jobs, and personal trauma. Consider what you learned as a result of these hardships. Participate in a leadership development program that features self-awareness and reflection and ask for feedback on a multilateral assessment. The ability to demonstrate yourself as a cooperative, contributing and constructive member of the group, is critical for long-term career success. Consider managing an inexperienced work team or employees who are resistant. Think about what you can do to contribute positively to group and organizational goals through new job assignments, existing jobs, role models or coaches. If maintaining self-control is a developmental area for you, consider leading a task force or project team made up of diverse members, taking calls on a customer hot line, negotiating a high profile case, or representing your organization to the media or influential outsiders. Seek a job assignment such as a project or task force headed by someone known for his or her high sense of integrity and crisis management strength.

A leader has to have emotional intelligence to align personal and subordinate goals to accomplish company goals. James A. Belasco and Ralph C Stayer (1993) suggest four responsibilities a leader must implement at all levels of an organization. First, transfer ownership for work to the people who do the work. Second, create the environment where the transfer of ownership can take place, where each person wants to be responsible for his or her own performance. This entails painting a clear picture of what the company believes great performance is, for the company and each person; focusing individuals on the few great performance factors; developing in each person the desire to be responsible for his or her performance; aligning organization systems and structures to send a clear message as to what is necessary for great performance; engaging each individual's heart, mind and hands in the business; and energizing people around the business focus. Third, develop individual capability and competence. Fourth, create conditions in the organization that challenge every person to continually learn, including him or herself. These four principals align personal and company goals through emotional intelligence.

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