



402:CHAIRS CHOICE Emotional Intelligence & the Corporate Practitioner

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Prior to joining The European Lawyer, Ms. Wall was senior vice president, general counsel, and director of regulatory affairs with Equant NV, prior to its merger with Global One and takeover of control by France Telecom in 2001. At Cable & Wireless plc, Ms. Wall established the law function from scratch and, over a period of nine years, built the department to over 60 lawyers collocated with their clients in eight locations. The C & W law department provided a comprehensive range of legal services to the group including privatisations, strategic alliances, and joint ventures worldwide. Ms. Wall took over responsibility for the group's regulatory function. Her earlier roles included chief international counsel for McDonnell Douglas Systems International, general counsel of the Clarendon Group, New York and assistant general counsel for ITEL Corp, San Francisco.

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Ms. Wall received an LLB with honours from the Victoria University of Manchester.

DRAFT**The Power Within:
Tackling the Performance Crisis in Corporate America**

There's no question that this is a tough time for business. Competition is global, products are commoditized, markets are saturated, cash has dried up. In response to the current economic crisis, many companies have focused on short-term expense reduction and "right sizing," in part to remedy the over-capacity that developed during the economic boom.

There are many pressures on businesses to focus on short-term goals, both internally and to meet the expectations of the investment community. Because of this myopic view, companies tend to primarily focus on process efficiencies. While improving processes and reducing costs may lead to higher profits in the short term, these actions do not drive revenue growth, nor will they turn the economy around.

To survive and remain competitive, companies must drive sustainable revenue growth and differentiate themselves through new products, services or markets. While good ideas can come from anywhere, it is most likely that these new services, products and markets will emerge from knowledge workers, people who manipulate information and use that information to make business decisions.

The Hudson Highland Center for High Performance (the Center) and its parent company, Hudson Highland Group Inc., recently conducted the largest and most in-depth study ever on knowledge workers. The study, "Unlock Corporate Performance: America's Knowledge Workers," was implemented by the Center and Richard Day Research, Inc.

The alarming conclusion of the research is that U.S. companies are stifling the performance of their best workers and their high-potential work groups, rather than accelerating it. In fact, by counter-productive activities such as over-emphasizing short-term results, they have created a performance crisis in America.

In most companies, knowledge workers are primarily using their intellectual capital to increase efficiencies, rather than focus on creating new

products and services. The study found that 40 percent of knowledge workers could point to a process improvement that their workgroup was responsible for, compared to only 11 percent who said their group had developed a new product or service.

About the study

The Hudson Highland Center for High Performance study focused on the performance of workgroups rather than on individuals or companies. The knowledge workers surveyed represent a cross section of industries, including financial services, telecommunications, pharmaceuticals, computer electronics and professional services, and more than half of the Fortune 100 companies.

All respondents were employed full-time in a managerial, professional or technical occupation; had at least a bachelor's degree and earned an average income of \$92,000. Thirty-seven percent had education beyond a bachelor's degree; half made \$100,000 or more. They worked for either a publicly traded company or a professional services company with more than 100 professionals. These firms represent more than 70 percent of private sector employment in the United States, and thus have an enormous impact on the economy.

Researchers recruited participants through an online panel of 1.2 million subscribers. Of the 20,000 panel members who attempted to take the Internet survey, 1,015 (5 percent) qualified and completed the survey. Of these, 592 knowledge workers were interviewed for approximately 30 minutes. In-depth follow-up interviews were conducted with 61 of the most articulate respondents. Because of the large base of potential qualified respondents available through the Internet, the study provides an accurate representation of the performance of knowledge workers.

Researchers asked knowledge workers to provide objective evidence of high performance—demonstrating that their workgroups were responsible for revenue and/or profit growth, *and* for new products, services, markets or processes.

Based on their responses, 11 percent of the workgroups were designated as high performing. Half of the respondents were in average performing groups, able to provide objective evidence of performance in one or more of eight areas

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(profit, revenue, process improvement, product improvement, customer satisfaction, teamwork, safety or "other.") The remaining 39 percent were classified as part of non-performing workgroups. They could provide no evidence of high performance in any of those areas. Of the non-performers, 27 percent reported that they used to be high performing, but no longer are.

It is interesting to note that 90 percent of knowledge workers believe that they work in high-performing workgroups. While this belief is not borne out by the data, the responses may indicate that these workers aspire to be high performing. It also may mean that they are equating hard work with high performance.

Slightly more than half of the knowledge workers in the study reported that their group had produced a significant innovation. Those in the high-performing workgroups were much more likely to say their group had come up with such an innovation. But even among those in high-performing workgroups, only 19 percent said their group was responsible for a new product or service.

Accelerating performance

Knowledge workers were asked to rate their workgroup's performance on 17 measures. Not surprisingly, the high-performing workgroups scored better than other workgroups on all 17 measures. Three attributes stood out as the biggest differentiators between high-performing and non-performing workgroups:

- Seeking and trying new ideas
- Valuing learning
- Taking managed risks

Taken together, these attributes define an entrepreneurial environment in which innovation can thrive. The same themes also emerged repeatedly in interviews conducted by the Hudson Highland Center for High Performance.

Michigan-based accounting firm Plante & Moran ranks 11th on Fortune's 2003 list of "100 Best Companies to Work For in America." The firm actively solicits new ideas through BIGDOG (Business Innovation Group Developing Operational Greatness), a committee of directors, associates and staff members

from throughout the firm. BIGDOG acknowledges every idea, and employees are eligible for gifts and cash prizes for submissions.

Last year, BIGDOG held an "idea sale" and awarded cash prizes for the top three ideas. The "sale" was held during tax season, a period when most accounting firms consider it risky for employees to look up from their desks. However, Plante & Moran understood that the best ideas emerge during this period of intense contact with clients, and it was worth investing the time to capture those ideas. One idea was a new service that would help clients identify less expensive cell phone vendors. The service created a new revenue stream for Plante & Moran, as well as good will from appreciative clients.

At Cendian, a fast-growing Atlanta-based company that provides chemical logistics management, calculated risk-taking is part of the culture. When Mark Prout, director of Information Technology decided to consolidate technology in the company's headquarters, he wasn't satisfied with building a simple room. Instead, he envisioned a "mission control" center with state-of-the-art technology and glass walls that symbolize the company's open environment. Prout understood that the project would require a significant investment, but took the risk because it was important for customers, who are outsourcing their distribution to Cendian, to see the company's technological sophistication. Prout also mitigated the risk by taking advantage of the dot-com bust and buying equipment at fire sale prices. The center has become a showcase for the company.

Avery Dennison, a global office products company, encourages learning while simultaneously growing sales revenue. The company creates cross-functional teams that have 100 days to produce a new product, service or market. "The learning piece is to identify what you know, what you don't know and how to get the information you need to deliver on the goal," said Stella Estevez, vice president of Leadership and Organizational Development.

One team's project was to set up a supply chain to distribute three new product categories and sell an order from one of them. After 100 days, the team had created the supply chain and sold products from all three of the product lines. It went on to sell \$500,000 worth of products within 200 days, and the company is now building a new business unit from the team.

Companies such as Cendian and Avery Dennison have succeeded in creating entrepreneurial environments in their business units. Fueling these environments is respect for employees and their ideas, which in turn fosters resilience—the ability to see opportunity where others see only problems; to see possibilities when others would give up.

Respect and resilience

At Cookson Electronic Equipment, based in Franklin, Mass., an atmosphere of respect, a resilient attitude and the full support of the CEO foster high performance even in the toughest of times. As a result of this work environment, Cookson is emerging from the worst recession ever to hit the company or the electronics industry.

Cookson Electronics, a division of London-based Cookson Group PLC, is a capital equipment manufacturer for the electronics and semi-conductor industry. When the electronics market—and particularly the telecommunications sector—crashed at the beginning of 2001, the company watched revenues drop 65 percent.

“The key in this environment was basically to take immediate action without panic and to make some strategic choices,” explained Division President Pierre Devillemejeane.

While many companies would have chosen to retrench, Cookson’s executive team decided to continue to invest in research and development, protect the customer support organization, and reengineer the business process so that the company will be poised for growth when the economy picks up.

A team of high performers who were selected both for their varying functional expertise and their differing skills, was charged with reengineering the business process of the company as it implemented new technology. “We shifted the emphasis of the project from just being another ERP implementation to basically being a key of our success in the future and trying to map out our new processes to a sustainable system,” said Devillemejeane.

The role of the team, called TOPS (Technology Operations, People and Strategy), was to seek out the best practices within or outside the organization and implement them on a consistent basis. According to Bill Affanato, a member

of the TOPS team, what made it work is “our attitudes towards work, our willingness to make it right no matter what the consequences, and continue working at it to help it along, and kind of a personal thing where we all respect each other, which is a very large part of it.”

A former division president suggested putting the team together, but Devillemejane nurtured and supported it. One way he did that was by acting as a mediator when the team encountered resistance to change. He continually explained to business unit leaders the project's importance to the company's future health and strategic advantage, and “made it clear to the organization that there was no room for negotiation.”

Added Devillemejane, “Obviously that helped. There was no way I was going to spend 18 months and the expense we've spent only to...have different sets of processes and different systems being implemented in two sites.”

Affanato credits Devillemejane and the parent company with understanding the importance of investing in the company's future. “Other companies could have shut the doors and said, ‘You're still losing money even though you cut back.’ But, you've got to maintain a certain amount of infrastructure if you're ever going to succeed in this business. And they're willing to take that as an investment going forward.”

Added Affanato, “We're the number one; we're the innovators. We're the people who bring out the new products. So, there definitely is a market for our products. It's just that the size of that market is extremely small right now.”

Roadblocks

Companies such as Cookson and Cendian show respect for employees by giving them the latitude necessary to do their work well. At Cendian, for example, a new corporate attorney with many years of experience was immediately given a high-level project. When it came time for the general counsel to sign off on the contract, he said, “If you're comfortable with it, you've got my approval.”

Interviews conducted for the Hudson Highland Center for High Performance study revealed that this would never happen at many companies, where managers stifle high performance in their workgroups. Hoarding

information, micromanaging, denying resources and pursuing personal agendas were among the behaviors that contributed to an environment that stands in the way of results.

At the U.S. subsidiary of a large European pharmaceutical company, Michael Ambrose's workgroup has been confronted with continual impediments since he joined the company about a year ago.

Ambrose (not his real name), is a talented go-getter. His boss—let's call him Bob Smith—is an old-style manager who deliberately keeps his subordinates in the dark. "He's got sort of a cadre of people scattered throughout the company that he has contact with all the time and you never know what's happening when he's in those meetings because he doesn't communicate any results," Ambrose said.

Smith also is a master at letting new ideas die. "One of the very effective techniques he has is to say 'let me think about it for a few days.' ... And another week would go by and it would be the same thing... You could end up stonewalled for months that way if you're not careful."

In one situation, Ambrose asked for permission to seek the advice of a vice president about his proposal to divest a particular pharmaceutical product. Smith denied his request. After months had passed, "during which the customers were in a frenzy and nothing happened" the boss was out for several weeks on medical leave. Ambrose took that opportunity to talk to the vice president. "He said 'go for it.'"

"... A week later I had bids, I had sold it and I had this super-high visibility project accomplished that everybody's really excited about."

Ambrose recently proposed creating an internal consulting group, which he would head, to do "guerrilla warfare." "We could reformat the department with hungry, successful, aggressive people who want to work hard, and are willing to do cross-functional things," Ambrose said. "[We'd] study things...and then implement the best practices."

Ambrose brought the idea to Smith's supervisor, a senior director, who seemed interested. In fact, the director told Ambrose, "We think you're extraordinary and we really wouldn't want to lose you." But that's exactly what

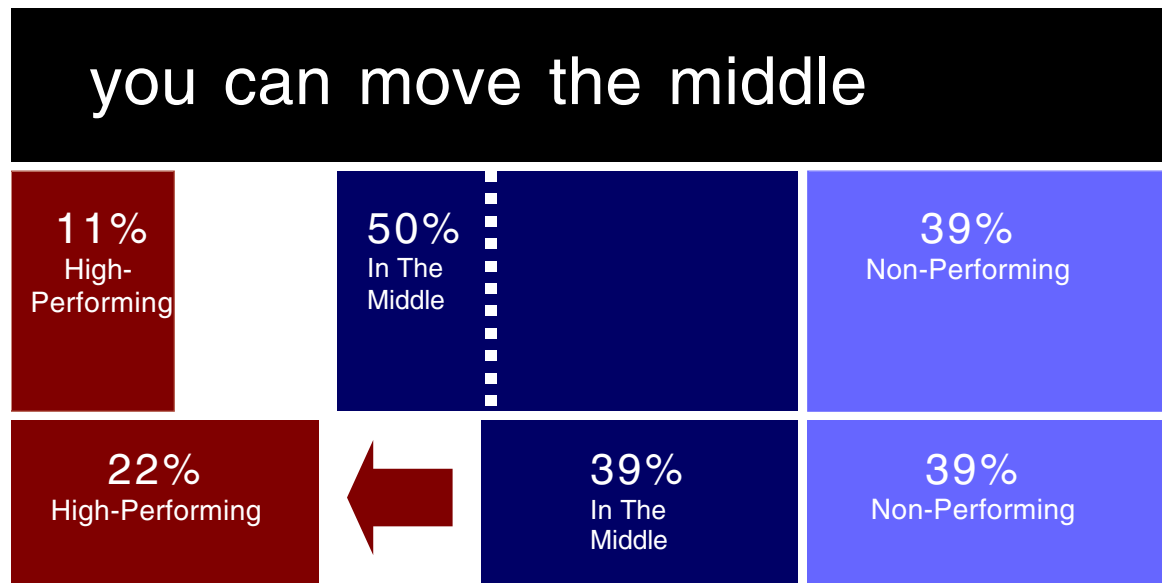
will happen. After months passed with no response, Ambrose had begun actively looking for another job.

Moving the middle

While the extent of the performance crisis is startling, the results of the study imply that there are pockets of high performance within U.S. companies that can be identified, nurtured and replicated. By improving the performance of the top 20 percent of their average-performing workgroups, organizations can substantially grow revenue and profits.

When most companies think about improving performance, they focus on the non-performing workgroups, rather than the highest-performing or those in the middle. They eliminate the weakest business units and fire employees they perceive to be the least effective. But lopping off the bottom does nothing to improve the performance of those that remain. You can't cut your way to success.

On the other hand, no organization has the time or money to transform every average or non-performing workgroup (89 percent of knowledge workers fell into these two categories) into a high-performing business unit. The key to turning organizations around is to focus on the top and those in the middle—the "almost-theres."



Companies can use existing internal resources—rather than hiring new people or depending on consultants—to increase the number of high-performing workgroups. The Hudson Highland Center for High Performance employs five steps to “move the middle.”

1) *Identify high-performing business units.*

The senior executive team identifies pockets of high performance within the company by employing a web-enabled survey such as CfHP’s PerformancePEAK, which is based on the attributes of high performance uncovered in the research. Executives meet with representatives of the high-performing business groups and find out what they are doing differently.

2) *Offer “amnesty” in return for hearing the truth.*

Both high-performing groups and “almost theres” are invited to tell senior executives what factors are hindering better performance without fear of retribution.

3) *Build SWAT teams.*

These teams are made up of members of the high-performing business units and the “almost-there” business units. They meet regularly to solve problems and share their secrets for success.

4) Designate a mediator.

The CEO or other member of the leadership team is responsible for making sure that the SWAT team members work together. He or she explains that the end goal is increased organizational performance. This person also helps remove obstacles to high performance.

5) Institute a “red handle” process.

A member of the senior executive team serves as the emergency contact person for teams experiencing difficulties. Any member of the SWAT team or “almost-there” work group can pull the red handle, anonymously, and get help from the senior executive. Simply knowing that this option is available gives employees confidence that their voices will be heard. It also keeps managers on their toes.

Smart organizations will turn their attention to the 50 percent of work groups that fall in the middle. Moving just the top one-fifth of the middle 50 percent into high-performing business units—for example, increasing high-performing groups from 11 percent to 22 percent—catapults the company into a position to achieve sustainable growth.

Conclusion

The results of the Hudson Highland Center for High Performance study of knowledge workers should be a wake-up call to CEOs. With only 11 percent of the best-paid, best educated workers part of high-performing workgroups, America is in the midst of a performance crisis. This paucity of high performance is the reason companies have been unable to shake off the sluggish economy and return to sustainable revenue growth.

Factors that accelerate high performance include seeking and trying new ideas, rewarding learning and taking managed risks. Environments in which people and their ideas are treated with respect foster the resilience necessary to confront and overcome obstacles.

The key to turning the economy around is to identify the pockets of high performance in each company, and systematically replicate them. By focusing on their top-performers and the “almost-theres,” companies can increase the number of high-performing workgroups. Major improvements will only occur when high-performing units stop disappearing—and start proliferating.

For more information about the services provided by the Hudson Highland Center for High Performance, contact Director Sasha Song at 312-795-4229, or see www.centerforhighperformance.com.

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Excerpts From the Book...

The Emotionally Intelligent Workplace : How to Select For, Measure, and Improve Emotional Intelligence in Individuals, Groups, and Organizations

Edited by:

Cary Cherniss & Daniel Goleman

EMOTIONAL INTELLIGENCE AND ORGANIZATIONAL EFFECTIVENESS

In 1981, James Dozier discovered the power of emotional intelligence. It saved his life. Dozier was a U. S. Army brigadier general who was kidnapped by the Red Brigades, an Italian terrorist group. He was held for two months before he was rescued. During the first few days of his captivity, his captors were crazed with the excitement surrounding the event. As Dozier saw them brandishing their guns and becoming increasingly agitated and irrational, he realized his life was in danger. Then he remembered something he had learned about emotion in an executive development program at the Center for Creative Leadership in Greensboro, North Carolina. Emotions are contagious, and a single person can influence the emotional tone of a group by modeling.

Dozier's first task was to get his own emotions under control-- no easy feat under the circumstances. But with effort he managed to calm himself. Then he tried to express his calmness in a clear and convincing way through his actions. Soon he noticed that his captors seemed to be "catching" his calmness. They began to calm down themselves and became more rational. When Dozier later looked back on this episode, he was convinced that his ability to manage his own emotional reactions and those of his captors literally saved his life (Campbell, 1990).

The term emotional intelligence (EI) had not been coined in 1981, but James Dozier provided a vivid example of what it is: "The ability to perceive and express emotion, assimilate emotion in thought, understand and reason with emotion, and regulate emotion in the self and others" (Mayer, Salovey, & Caruso, 2000, p. 396; for an extended discussion of the varied definitions of emotional intelligence, see Chapter Two). Dozier's experience illustrates emotional intelligence in action. He perceived accurately the emotional reactions of his captors, and he understood the danger that those reactions posed for him. He then was able to regulate his own emotions, and by expressing those emotions effectively, he was able to regulate the emotions of his captors.

Not only does Dozier's experience illustrate what the contributors to this book mean by emotional intelligence, it also demonstrates how emotional intelligence can help people to be more effective at work. However, Dozier's predicament was an extreme and unusual work situation. To what extent is emotional intelligence important for the more typical jobs and work situations that people encounter? What is the connection between emotional intelligence and organizational effectiveness? And finally, can emotional intelligence be taught? And if so, how?

THE IMPACT OF EI ON ORGANIZATIONAL EFFECTIVENESS

Look deeply at almost any factor that influences organizational effectiveness, and you will find that emotional intelligence plays a role. For instance, as this volume is being completed, the United States continues an unprecedented period of economic prosperity and growth. The downside of this fortunate circumstance for many organizations is that it has become increasingly more difficult to retain good employees, particularly those with the skills that are important in the high tech economy. So what aspects of an organization are most important for keeping good employees? A Gallup Organization study of two million employees at seven hundred companies found that how long an employee stays at a company and how productive she is there is determined by her relationship with her immediate supervisor (Zipkin, 2000). Another study quantified this effect further. Spherion, a staffing and consulting firm in Fort Lauderdale, Florida, and Lou Harris Associates, found that only 11 percent of the employees who rated their bosses as excellent said that they were likely to look for a different job in the next year. However, 40 percent of those who rated their bosses as poor said they were likely to leave. In other words, people with good bosses are four times less likely to leave than are those with poor bosses (Zipkin, 2000).

What is it about bosses that influences their relationship with employees? What skills do bosses need to prevent employees from leaving? The most effective bosses are those who have the ability to sense how their employees feel about their work situation and to intervene effectively when those employees begin to feel discouraged or dissatisfied. Effective bosses are also able to manage their own emotions, with the result that employees trust them and feel good about working with them. In short, bosses whose employees stay are bosses who manage with emotional intelligence. When I ask employees and their bosses to identify the greatest challenges their organizations face, they mention these concerns:

- * People need to cope with massive, rapid change.
- * People need to be more creative in order to drive innovation.
- * People need to manage huge amounts of information.
- * The organization needs to increase customer loyalty.
- * People need to be more motivated and committed.
- * People need to work together better.

- * The organization needs to make better use of the special talents available in a diverse workforce.
- * The organization needs to identify potential leaders in its ranks and prepare them to move up.
- * The organization needs to identify and recruit top talent.
- * The organization needs to make good decisions about new markets, products, and strategic alliances.
- * The organization needs to prepare people for overseas assignments.

These are the intense needs that face all organizations today, both public sector and private. And in virtually every case, emotional intelligence must play an important role in satisfying the need. For instance, coping with massive change involves, among other things, the ability to perceive and understand the emotional impact of change on ourselves and others. To be effective in helping their organizations manage change, leaders first need to be aware of and to manage their own feelings of anxiety and uncertainty (Bunker, 1997). Then they need to be aware of the emotional reactions of other organizational members and act to help people cope with those reactions. At the same time in this process of coping effectively with massive change, other members of the organization need to be actively involved in monitoring and managing their emotional reactions and those of others.

Let us consider one other challenge, one that might seem less emotional than many of the others in the list. How might emotional intelligence play a role in helping organizational leaders make good decisions about new products, markets, and strategic alliances? Making such decisions involves much more than emotional intelligence. Good data must be assembled, and these data must be analyzed using the most sophisticated tools available. However, in the end, data almost never produce a clear-cut answer. Many important variables can be quantified but not all. Analytical tools can organize most of the information needed for a clear and coherent picture, but almost always there is also some ambiguity and guesswork involved. There comes a point when organizational leaders must rely on their intuition or gut feeling. Such feelings will sometimes point in the right direction and sometimes in the wrong direction. The leaders who are most likely to have feelings that point in the right direction are the ones who have a good sense of why they are reacting as they are. They have learned to discriminate between feelings that are irrelevant and misleading and feelings that are on target. In other words, emotional intelligence enables leaders to tune into the gut feelings that are most accurate and helpful in making difficult decisions.

Emotional intelligence influences organizational effectiveness in a number of areas:

- * Employee recruitment and retention
- * Development of talent
- * Teamwork

- * Employee commitment, morale, and health
- * Innovation
- * Productivity
- * Efficiency
- * Sales
- * Revenues
- * Quality of service
- * Customer loyalty
- * Client or student outcomes

The influence of EI begins with the retention and recruitment of talent. For instance, as Claudio Fernández-Aráoz points out in Chapter Eight, the extent to which candidates' emotional intelligence is considered in making top executive hiring decisions has a significant impact on the ultimate success or failure of those executives. The emotional intelligence of the persons doing the hiring is also crucial for good hiring decisions.

Emotional intelligence also affects the development of talent. For instance, Kathy Kram and I (Chapter Eleven) show how relationships at work can contribute to the development of talent. However, not all relationships are equally effective in doing so. The emotional intelligence of the mentor, boss, or peer will influence the potential of a relationship with that person for helping organizational members develop and use the talent that is crucial for organizational effectiveness. (See Chapter Ten for further discussion of emotional intelligence and the development of talent.)

Thus far I have been discussing individual emotional intelligence. However, it is also possible to think of emotional intelligence as a group-level phenomenon. As Vanessa Druskat and Steven Wolff explain in Chapter Six, there are emotionally intelligent groups as well as emotionally intelligent individuals. Druskat and Wolff suggest that emotionally intelligent teams display the kinds of cooperation, commitment, and creativity that are increasingly important for organizational effectiveness. Furthermore, they show that although the emotional intelligence of individual members contributes to the level of emotional intelligence found in the team, there are other sources of group EI as well. Also, just as individual EI contributes to the EI of the group, group EI contributes to the EI of group members. People who are members of emotionally intelligent groups become more emotionally intelligent individuals.

Many of the ways that EI influences organizational effectiveness are subtle and difficult to measure. However, as Lyle Spencer shows in Chapter Four, we now are able to estimate more precisely than ever before the economic utility of EI in organizations. And the results of these analyses are consistent with commonsense notions: competencies associated with EI play an important role in determining the effectiveness of organizations.

SOURCES OF EI IN ORGANIZATIONS

If individual and group emotional intelligence contribute to organizational effectiveness, what in the organization contributes to individual and group emotional intelligence? Such a question is especially important for anyone who wishes to harness the power of emotional intelligence for organizational improvement. Figure 1.1 presents a model that points to some broad factors in organizations that contribute to emotional intelligence. Those who wish to help individuals and groups become more emotionally intelligent can use this model as a starting point.

Emotional intelligence, as Goleman (1995a) pointed out in his first book on the topic, emerges primarily through relationships. At the same time, emotional intelligence affects the quality of relationships. Kram and I (Chapter Eleven) note that both formally arranged relationships and naturally occurring relationships in organizations contribute to emotional intelligence. Relationships can help people become more emotionally intelligent even when they are not set up for that purpose. The model suggests that ultimately any attempts to improve emotional intelligence in organizations will depend on relationships. Even formal training interventions or human resource policies will affect emotional intelligence through their effect on relationships among individuals and groups in the organization.

The left-hand portion of the model (Figure 1.1), illustrates three organizational factors that are interrelated. Each of these factors influences emotional intelligence through its impact on relationships, and each factor influences the other two. For instance, in [Chapter Three](#) Goleman presents data showing how the emotional intelligence of organizational leadership influences organizational effectiveness through its impact on organizational climate. At the same time, the HR functions of recruitment and selection, training and development, and management performance have a strong impact on leadership EI (as Ruth Jacobs points out in Chapter Seven). However, leadership in turn will influence the extent to which HR functions are effective in helping organizational members increase their EI. As several chapters in this book show, leaders who lack EI provide poor models for the development of EI in others, and they are unlikely to provide the kind of support and encouragement necessary for effective EI promotion efforts.

The model suggests two important implications for practice. First, any effort to improve the EI of organizational members will ultimately fail unless it affects naturally occurring relationships among those members. Formal, off-site training programs can have value, for example, but only if they lead to sustained changes in interpersonal and intergroup relationships back in the organization (see Chapters Nine and Ten for more on this point). The second important implication is that interventions that focus on only one part of the model are not likely to be very effective. So, for instance, a training program designed to help organizational members become more emotionally intelligent will be of limited value by itself because it targets only one part of the model-- HR functions. Such

training efforts will succeed only if the organizational leadership and culture support them (see Chapter Twelve for a case study that illustrates this point).

All models are necessarily incomplete. This one captures some but not all of the important forces that contribute to the development of individual and group EI in organizations. For instance, as Boyatzis (Chapter Ten) and Kram and I (Chapter Eleven) note, individuals bring into the organization values, aspirations, and developmental histories that influence their response to EI promotion efforts. Moreover this model does not begin to suggest the rich and complex ways in which HR functions, to take just one example, can influence the level of organizational EI (see Chapter Seven). Subsequent chapters of this book, however, flesh out different parts of the model and the relationships between those parts and organizational effectiveness.

SOME UNRESOLVED ISSUES AND DILEMMAS

Although psychologists have been studying aspects of emotional intelligence in organizations for decades (without using that term), the concept as it is now understood is relatively new. There still is much that is unclear about the nature of emotional intelligence, the way in which it should be measured, and its impact on individual performance and organizational effectiveness. In some cases this lack of clarity has led to conflict and controversy among researchers and practitioners.

One of the most basic controversies involves the definition of the concept itself. The term emotional quotient (EQ), as Goleman notes in [Chapter Two](#), was first coined by Bar-On (1988) as a counterpart to intelligence quotient (IQ), that is, to cognitive ability. Baron thought of EQ as representing a set of social and emotional abilities that help individuals cope with the demands of daily life. Salovey and Mayer (1990) had something different and more restricted in mind when they introduced the term emotional intelligence several years later. For them, EI concerned the way in which an individual processes information about emotion and emotional responses. Finally, Goleman (1995a) initially saw EI as an idea or theme that emerged from a large set of research findings on the role of the emotions in human life. These findings pointed to different ways in which competencies such as Empathy, Learned Optimism, and Self-Control contributed to important outcomes in the family, the workplace, and other life arenas.

Fortunately, there seems to be some progress in clarifying the concept of emotional intelligence. Goleman has recently made a distinction between emotional intelligence and emotional competencies (see [Chapter Two](#)). According to this view, emotional intelligence provides the bedrock for the development of a large number of competencies that help people perform more effectively. For instance, managers who possess a high level of what Salovey and Mayer (1990) think of as EI will not necessarily be more effective than other managers in dealing with conflict among their employees. However, they will be able to learn and to use conflict management skills more readily than will individuals who bring less EI to the job. This recent formulation helps clarify the relationship between the three definitions of EI that are used most frequently in the field. Nevertheless, it probably will be some time before there is real clarity and consensus concerning the nature of emotional intelligence.

A related area of controversy is the measurement of emotional intelligence. As Gowing shows in Chapter Five, several different instruments are now available that claim to measure EI. All are of recent vintage except for Bar-On's EQ-i, which was developed in the mid-eighties, and all have both strengths and weaknesses. Gowing clarifies how the different instruments overlap and how they diverge in what they measure. Although much progress has been made and all the current measures show promise, there still is much work to be done in clarifying and refining measurement methodology.

Another unresolved issue concerns the relative predictive power of EI and IQ. Although Goleman (1998b) has argued that EI accounts for more of the variance in individual and group performance than purely cognitive ability does, in Chapter Three he concedes that the issue is complex. Part of the problem is that these abilities are not mutually exclusive: emotional intelligence by any definition is really a combination of cognitive and emotional abilities. As Goleman has suggested elsewhere, the essence of emotional intelligence is the integration of the emotional centers of the brain (the limbic system) and the cognitive centers (prefrontal cortex). Similarly, Mayer, Salovey, and Caruso (2000) conceive of EI as a set of skills that involve processing information about emotion.

Empirical research leaves little doubt that (1) IQ and other measures of cognitive ability are limited in their power to predict who will succeed and (2) measures of EI are strongly correlated with performance in certain situations (see Chapter Four for data supporting this notion). However, there has been little good research that compares the predictive power of IQ and EI. As Goleman ([Chapter Two](#)) notes, what is needed now is a good longitudinal study using sound measures of both cognitive and emotional skills.

An often overlooked fact is that EI is composed of varied competencies, and it still is unclear exactly how they are related. Both Mayer et al. (2000) and Goleman (1998b) have developed models suggesting how different competencies may be related. For instance, Goleman proposes that Self-Awareness is the foundation for two other EI abilities: Self-control and Social Awareness. Self-control and Social Awareness, in turn, are the foundation for Social Skills. Although some research provides support for this model, other research suggests some of the abilities may be inversely related. To take but one example, Self-control (the ability to inhibit one's impulses and actions) would seem to be antagonistic to Initiative (the propensity to take action without strong external pressure to do so) (Boyatzis, 1999a). Such issues may ultimately be settled when researchers begin to explore the possibility of nonlinear relationships between the different dimensions and competencies. It may be, for example, that the relationship between Self-control and Initiative is curvilinear: increases in Self-control may contribute to the capacity to show Initiative up to a certain point, whereas increased Self-control beyond that point may inhibit Initiative. (See Chapter Seven for a discussion of Boyatzis's ideas on this issue and more examples of the ways in which EI abilities may be related.)

The relationship between individual and group emotional intelligence presents us with yet another unresolved issue. Druskat and Wolff argue in Chapter Six that group EI is not simply the sum total of the individual EI of group members. Having a few people with high individual EI is not enough to generate the conditions necessary for teamwork and group effectiveness. Groups also need norms and enduring processes that support awareness and regulation of emotion within the group. According to Druskat and Wolff's model, it is these norms and processes that are the essence of group EI.

Although Druskat and Wolff present a compelling case for making a distinction between individual and group EI, there are currently few data directly supporting it. What we need is a study that measures both individual EI and group EI and then examines whether adding group EI increases our ability to predict group effectiveness. Before we can conduct such a study, we need good measures of both group EI as Druskat and Wolff define it and individual EI.

I conclude this overview of the issues by noting two dilemmas, one involving practice and the other research. The first dilemma is that the same conditions that make emotional intelligence so vital for organizational effectiveness also make EI difficult to nurture in organizations. This dilemma results from the current climate in contemporary organizations. As Kram and I (Chapter Eleven) note, the highly turbulent, dynamic, and competitive environment that has come to characterize the U.S. economic system at the dawn of the new millennium makes emotional intelligence more vital than ever before. Rapid technological change, an increasingly diverse workforce, and global markets also contribute to a growing need for EI. Yet these factors are also creating a climate in which it is increasingly difficult for people to develop and use the emotional intelligence that is so necessary for organizational effectiveness. Even senior executives find it difficult to focus on anything other than short-term results. Yet the development of emotional intelligence requires sustained reflection and learning. People must step back from the day-to-day focus on getting more done and instead concentrate on personal development. Carving out time each week for such activity seems to many an unaffordable luxury. Only the most emotionally intelligent have the insight and determination to do so. It is not clear how those who lack this level of EI can be helped to change their priorities in ways that enable them to develop it.

The second dilemma results from the fact that much of the research on which the field is now based has been conducted by firms that have little incentive to publish their work and considerable incentive not to. For instance, much of the most exciting and compelling research comes from consulting firms such as Hay/McBer (see Chapters Two, Three, Four, and Seven). These firms conduct studies for corporate clients that want to use the research for their own purposes. These clients are not willing to pay the firms to prepare articles about the study findings for publication in scientific journals, and so it is difficult for the researchers employed at these firms to take the time to prepare such articles.

Perhaps more crucial, the data collected in these studies are proprietary. The clients would prefer that the details of the research be known to as few as possible, particularly

not to their corporate competitors. Yet unpublished research is of uncertain validity. The essence of the scientific enterprise is full and open communication not only of the results of research but also of the ways in which the data were collected and analyzed. The peer review process that occurs when a study is submitted for publication in a scientific journal is an imperfect process, but it does provide an opportunity to scrutinize both the methods and results of research. Until more research on EI in organizations finds its way into the scientific literature, practice will not be based on a firm foundation. It is the hope of the editors that this volume will inspire not only more good research on the topic of EI in organizations but also the publication of that research in peer-reviewed scientific journals. However, finding support for such efforts in the current business climate is yet another dilemma facing the field.

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Emotional Intelligence: Issues in Paradigm Building

From the book *The Emotionally Intelligent Workplace*

Edited by: Cary Cherniss and Daniel Goleman

Now Available through Amazon.com

CHAPTER TWO

By: Daniel Goleman

It was Super Bowl Sunday, that sacrosanct day when most American men are to be found watching the biggest football game of the year. The flight from New York to Detroit was delayed two hours in departing, and the tension among the passengers—almost entirely businessmen—was palpable. As they finally arrived at Detroit, a mysterious glitch with the boarding ramp made the plane stop some one hundred feet from the gate. Frantic about arriving late, people on the plane leapt to their feet anyway.

One of the flight attendants went to the intercom. How could she most effectively get all the passengers to comply with federal regulations requiring they all be seated before the plane could finish taxiing to the gate?

She did *not* announce in a stern voice, “Federal regulations require that you be seated before we can move to the gate.”

Instead, she warbled in a singsong tone, suggestive of a playful warning to an adorable small child who has done something naughty but forgivable, “You’re staaanding!”

At that, everyone laughed and sat back down until the plane had finished taxiing to the gate. And given the circumstances, the passengers got off the plane in a surprisingly good mood (Goleman, 1998b).

The flight attendant’s adept intervention speaks to the great divide in human abilities that lies between the mind and heart, or more technically, between cognition and emotion. Some abilities are purely cognitive, like IQ or technical expertise. Other abilities integrate thought and feeling and fall within the domain of *emotional intelligence*, a term that highlights the crucial role of emotion in their performance.

All emotional intelligence abilities involve some degree of skill in the affective domain, along with skill in whatever cognitive elements are also at play in each ability. This stands in sharp contrast to purely cognitive aspects of intelligence, which, to a large degree, computers can be programmed to execute about as well as a person can: on that Sunday flight a digitized voice could have announced, “Federal regulations require that all passengers be seated before we proceed to the gate.” But although the basic content of the digitized and “live” messages might have been the same, lacking the flight attendant’s sense of timing, artful wit, and affect, the computerized version would have fallen flat. People might have grudgingly complied with the firm directive but would have undergone nothing like the positive mood shift the attendant accomplished. She was able

to hit exactly the right *emotional* note—something cognitive capabilities alone are insufficient for, because by definition they lack the human flair for feelings.

Peter Salovey and John Mayer first proposed their theory of emotional intelligence (EI) in 1990. Over the intervening decade, theorists have generated several distinctive EI models, including the elaborations by Salovey and Mayer on their own theory. The theory as formulated by Salovey and Mayer (1990; Mayer, Salovey, & Caruso, 2000) framed EI within a model of intelligence. Reuven Bar-On (1988) has placed EI in the context of personality theory, specifically a model of well-being. My own model formulates EI in terms of a *theory of performance* (Goleman, 1998b). As I will show in this chapter and Chapter Three, an EI-based theory of performance has direct applicability to the domain of work and organizational effectiveness, particularly in predicting excellence in jobs of all kinds, from sales to leadership.

All these EI models, however, share a common core of basic concepts. Emotional intelligence, at the most general level, refers to the *abilities to recognize and regulate emotions in ourselves and in others*. This most parsimonious definition suggests four major EI domains: *Self-Awareness, Self-Management, Social Awareness, and Relationship Management*. (As theories develop, the terms they use develop too. As I discuss in Chapter Three, these are the domain names in the most recent version of my model. Some readers may be familiar with earlier versions of these names.)

These four domains are shared by all the main variations of EI theory, though the terms used to refer to them differ. The domains of Self-Awareness and Self-Management, for example, fall within what Gardner (1983) calls *intrapersonal intelligence*, and Social Awareness and Relationship Management fit within his definition of *interpersonal intelligence*. Some make a distinction between *emotional intelligence* and *social intelligence*, seeing EI as personal self-management capabilities like impulse control and social intelligence as relationship skills (see, for example, Bar-On, 2000a). The movement in education that seeks to implement curricula that teach EI skills uses the general term *social and emotional learning*, or SEL (Salovey & Sluyter, 1997).

The EI model seems to be emerging as an influential framework in psychology. The span of psychological fields that are now informed by (and that inform) the EI model ranges from neuroscience to health psychology. Among the areas with the strongest connections to EI are developmental, educational, clinical and counseling, social, and industrial and organizational psychology. Indeed, instructional segments on EI are now routinely included in many college-level and graduate courses in these subjects.

One main reason for this penetration seems to be that the concept of emotional intelligence offers a language and framework capable of integrating a wide range of research findings in psychology. Beyond that, EI offers a positive model for psychology. Like other positive models, it has implications for the ways we might tackle many problems of our day—for prevention activities in physical and mental health care and for effective interventions in schools and communities, businesses, and organizations (Seligman & Csikszentmihalyi, 2000). Our increasing understanding of EI also suggests a promising scientific agenda, one that goes beyond the borders of personality, IQ, and academic achievement to study a broader spectrum of the psychological mechanisms that allow individuals to flourish in their lives, their jobs, and their families and as citizens in their communities.

In this chapter and the next I seek to explore the implications of the EI framework for the workplace, and particularly for identifying the active ingredients in outstanding performance, and to review the business case for the utility to an organization of selecting, promoting, and training people for EI. Specifically, this chapter offers a brief history of the EI concept and the increasing interest it is generating, discusses concerns about definitions and means of distinguishing EI abilities from other abilities, and introduces some ideas and data for comparing EI and IQ as predictors of how well a person will perform in a job.

The EI Paradigm Evolves

A paradigm, writes Thomas Kuhn, in his landmark work *The Structure of Scientific Revolutions* (1970), “is an object for further articulation and specification under new or more stringent conditions” (p. 23). He adds that once a model or paradigm has been articulated, the signs of scientific vigor include “the proliferation of competing articulations, the willingness to try anything, the expression of explicit discontent, the recourse to philosophy and to debate over fundamentals” (p. 91). By Kuhn’s criteria, the emotional intelligence paradigm shows signs of having reached a state of scientific maturity.

It has taken decades to reach this point. In the field of psychology the roots of EI theory go back at least to the beginnings of the intelligence testing movement. E. L. Thorndike (1920), professor of educational psychology at Columbia University Teachers College, was one of the first to identify the aspect of EI he called *social intelligence*. In 1920 he included it in the broad spectrum of capacities that individuals possess, their “varying amounts of different intelligences.” Social intelligence, wrote Thorndike, is “the ability to understand and manage men and women, boys and girls—to act wisely in human relations” (p. 228). It is an ability that “shows itself abundantly in the nursery, on the playground, in barracks and factories and salesrooms, but it eludes the formal standardized conditions of the testing laboratory” (p. 231). Although Thorndike did once propose a means of evaluating social intelligence in the laboratory—a simple process of matching pictures of emotive faces with descriptions of emotions—he also maintained that because social intelligence manifests in social interaction, “genuine situations with real persons” would be necessary to accurately measure it.

In 1937, Robert Thorndike and Saul Stern reviewed the attempts to measure the social intelligence E. L. Thorndike had discussed, identifying three different areas “adjacent to social intelligence, perhaps related to it, and often confused with it” (p. 275). The first area encompassed primarily an individual’s attitude toward society and its various components: politics, economics, and values such as honesty. The second involved social knowledge: being well versed in sports, contemporary issues, and general “information about society.” This area seemed often conflated with the first. The third form of social intelligence was an individual’s degree of social adjustment: introversion and extroversion were measured by individuals’ responses to questionnaires (p. 276). One widely known questionnaire of the time that Thorndike and Stern reviewed was the George Washington Social Intelligence Test, developed in 1926. It measured, for example, an individual’s judgment in social situations and in relationship problems; recognition of the “mental state” of a speaker (measured through ability to match the

person's words with the names of emotions), and ability to identify emotional expression (measured through ability to match pictures of faces with the corresponding emotions).

But Thorndike and Stern concluded that the attempts to measure the "ability to deal with people" had more or less failed: "It may be that social intelligence is a complex of several different abilities, or a complex of an enormous number of specific social habits and attitudes." And they added, "We hope that further investigation, via situation tests, movies, etc., getting closer to the actual social reaction and further from words, may throw more light on the nature of ability to manage and understand people" (p. 284).

The next half century of psychology, dominated as it was by the behaviorist paradigm on one hand and the IQ testing movement on the other, turned its back on the EI idea. Still, even David Wechsler (1952), as he continued to develop his widely used IQ test, nodded to "affective capacities" as part of the human repertoire of capabilities.

Howard Gardner (1983) had a major hand in resurrecting EI theory in psychology. His influential model of multiple intelligence includes two varieties of *personal intelligence*, the *interpersonal* and *intrapersonal intelligences*; EI, as mentioned earlier, can be seen as elaborating on the role of emotion in these domains.

Reuven Bar-On (1988) developed perhaps the first attempt to assess EI in terms of a measure of well-being. In his doctoral dissertation he used the term *emotional quotient* ("EQ"), long before it gained widespread popularity as a name for emotional intelligence and before Salovey and Mayer had published their first model of emotional intelligence. Bar-On (2000a) now defines EI in terms of an array of emotional and social knowledge and abilities that influence our overall ability to effectively cope with environmental demands. This array includes (1) the ability to be aware of, to understand, and to express oneself; (2) the ability to be aware of, to understand, and to relate to others; (3) the ability to deal with strong emotions and control one's impulses; and (4) the ability to adapt to change and to solve problems of a personal or a social nature. The five main domains in his model are *intrapersonal skills*, *interpersonal skills*, *adaptability*, *stress management*, and *general mood* (Bar-On, 1997b).

Finally, in 1990, Peter Salovey at Yale and his colleague John Mayer, now at the University of New Hampshire, published the seminal article "Emotional Intelligence," the most influential statement of EI theory in its current form. Salovey and Mayer's original model (1990) identified emotional intelligence as the "ability to monitor one's own and other's feelings and emotions, to discriminate among them, and to use this information to guide one's thinking and action" (p. 189). Citing a need to distinguish emotional intelligence abilities from social traits or talents, Salovey and Mayer evolved a model with a cognitive emphasis. It focused on specific mental aptitudes for recognizing and marshalling emotions (for example, knowing what someone is feeling is a mental aptitude, whereas being outgoing and warm is a behavior). A comprehensive EI model, they argued, must include some measure of "thinking about feeling," an aptitude lacked by models that focus on simply perceiving and regulating feelings.

Their current model is decidedly cognitive in focus (Mayer & Salovey, 1997). In this model, emotional intelligence comprises four tiers of abilities that range from basic psychological processes to more complex processes integrating emotion and cognition. In the first tier of this "mental ability model" is the complex of skills that allow an individual to perceive, appraise, and express emotions. Abilities here include identifying one's own and other's emotions, expressing one's own emotions, and discriminating the

expressions of emotion in others. The second tier abilities involve using emotions to facilitate and prioritize thinking: employing the emotions to aid in judgment, recognizing that mood swings can lead to a consideration of alternative viewpoints, and understanding that a shift in emotional state and perspective can encourage different kinds of problem solving. In the third tier are skills such as labeling and distinguishing between emotions (differentiating liking and loving, for instance), understanding complex mixtures of feelings (such as love and hate), and formulating rules about feelings: for example, that anger often gives way to shame and that loss is usually accompanied by sadness. The fourth tier of the model is the general ability to marshal the emotions in support of some social goal. In this more complex level of emotional intelligence are the skills that allow individuals to selectively engage in or detach from emotions and to monitor and manage emotions in themselves and in others.

Salovey and Mayer's 1997 model is developmental: the complexity of emotional skill grows from the first tier to the fourth. However, all the mental aptitudes they describe fit within the general matrix of self-other recognition or regulation.

The Increasing Interest in EI

My primary role as an EI theorist has been to propose a theory of performance that builds on the basic EI model, adapting it to predict personal effectiveness at work and in leadership (Goleman, 1998b). As I have done so, my role has also been that of a synthesizer, bringing together a broad array of findings and theories in psychology and integrating them into the emotional intelligence framework.

In my role as a science journalist, I have aimed to disseminate the EI concept, primarily through my book *Emotional Intelligence* (Goleman, 1995a) but also through other publications (for example, Goleman, 1998a, 1998b, 2000a, 2000b). The EI concept has found remarkably receptive audiences throughout the world: the 1995 book has, at this writing, been published in thirty-three foreign editions, is available in more than fifty countries, and has more than five million copies in print worldwide. Howard Gardner (1999) contends that *Emotional Intelligence* is now the most widely read social science book in the world. Amazon.com now lists more than seventy titles on emotional intelligence.

My 1998 follow-up book, *Working with Emotional Intelligence*, articulated my EI-based theory of performance, made the business case for the importance of EI at work, and set forth guidelines for effective individual development of the key EI-based competencies. That book has also been widely published, as of this writing going into print in twenty-nine foreign editions and becoming a best-selling business book in many countries.

Although this wave of interest has, perhaps inevitably, given rise to many questionable claims for EI—particularly in the business realm—that should not detract from the solid science that supports EI or from its implications for psychology. As a theoretical construct the EI model is very new. Yet in the last few years psychologists have begun the process of establishing validity for measurement tools (Davies, Stankov, & Roberts, 1998). There have been some detours in this process. One of the stranger ones came when a group of Australian psychologists seized on an informational quiz I had compiled in 1995, somewhat in the spirit of the satirical *Journal of Irreproducible Results*, for a popular magazine (Goleman, 1995b). Without contacting me, the

psychologists treated the quiz as though it were a serious measure (Davies et al., 1998). They were apparently oblivious to my warning preceding the quiz that there were as yet (in 1995) no well-validated paper-and-pencil assessments of EI. They also missed the pointed humor in the quiz scoring key, which rated answers on a scale where the low end was “Newt” and the high end “Gandhi.” And they earnestly reported that the quiz had abysmal reliability and validity!

Despite such digressions, the EI construct has now passed several validation benchmarks. In terms of formal theory, EI meets traditional criteria for an intelligence (Mayer, Caruso, & Salovey, 2000a). As I have discussed, in the influential framework of multiple intelligences formulated by Howard Gardner (1999), EI fits squarely within the spectrum of personal intelligence, elaborating on the role of emotions in the intrapersonal and interpersonal intelligences. And there is now an array of validated instruments for assessing aspects of EI (see, for example, Bar-On, 2000a; Mayer, Caruso, & Salovey, 2000b; Boyatzis, Goleman, & Rhee, 2000).

In addition, the EI model is already influential in the business community, unusually so for such a recently proposed theory. Organizations are applying an array of EI-based instruments for predicting on-the-job performance (as Marilyn Gowing discusses in Chapter Five). A strong interest in the professional applications of the EI concept is apparent in the field of industrial and organizational psychology. The American Society for Training and Development, for example, has published a volume describing “best practice” guidelines for helping people in organizations cultivate the EI-based competencies that distinguish outstanding performers from average ones (Cherniss & Adler, 2000). An article I published in the *Harvard Business Review* on the role of emotional intelligence in effective leadership (Goleman, 1998a) immediately became the review’s most requested reprint. This response also suggests high levels of interest in EI in the business community. And there are other signs of considerable interest: for example, the first annual conference on EI and the workplace, sponsored by conference promoter Linkage, Inc., in 1999, was the most heavily enrolled of Linkage’s many professional conferences that year.

The model of EI as a variety of intelligence has a wide range of implications. But I believe that when it comes to applications in the workplace and organizational life, the EI-based theory of performance I articulate in the next chapter has more direct implications—and applications—particularly in predicting and developing the hallmarks of outstanding performers in jobs of every kind and at every level.

Issues in EI Theory

Arguing from their framework of EI as a theory of intelligence, Mayer, Salovey, and Caruso (2000) make a distinction between EI models that are *mixed* and those that are *pure* models, or *ability* models, focusing exclusively on cognitive aptitudes. Mixed models, they argue, contain a melange of abilities, behaviors, and general disposition and conflate personality attributes—such as optimism and persistence—with mental ability.

Based on their reading of my 1995 book, Mayer, Salovey, and Caruso (2000) contend that my EI model is mixed. But the point of that book was to explore EI as a groundbreaking conception of intelligence rather than to systematically articulate an EI model. The EI-based theory of performance I first described in *Working with Emotional Intelligence* in 1998 is a formulation that seems to meet Mayer et al.’s criteria for a pure

model. It is competency based, comprising a discrete set of abilities that integrate affective and cognitive skills but are distinct from abilities measured by traditional IQ tests.

For example, I agree with Mayer, Salovey, and Caruso's critique that a "warm and outgoing nature" is not an EI competence. It may be seen as a personality trait. However, it may also be a reflection of a specific set of EI competencies, chiefly those involving the ability to relate positively to others—that is, those found in the Social Awareness and Relationship Management clusters. Likewise, optimism, although it may be seen as a personality trait, may also refer to specific behaviors that contribute to the competence I label Achievement Drive.

Mayer, Salovey, & Caruso's model draws upon a psychometric tradition that an intelligence must meet three criteria to be defined as such. The proposed intelligence must be conceptual (that is, it must reflect mental aptitudes rather than behaviors), it must be correlational (that is, it must share similarities with yet remain distinct from other established intelligences), and it must be developmental (that is, the aptitudes that characterize it must increase with an individual's experience and age). Mayer et al. demonstrate that emotional intelligence meets these criteria.

Arguing from a different perspective, Howard Gardner (1983, 1999) has proposed broadening our notion of intelligence so that it incorporates many significant faculties that have traditionally been beyond its scope. The psychometric tradition invoked by Mayer, Salovey, and Caruso (2000), Gardner argues, is too narrow. The psychometric tradition focuses on intellectual aptitudes that can be measured by standardized tests, but performance on such tests does not necessarily translate into success in school or in life. In expanding the range of significant aptitudes for such success, Gardner (1999) defines an intelligence as "the biopsychological potential to process information that can be activated in a cultural setting to solve problems or create products that are of value in a culture" (p. 33–34).

Gardner thus adds several new items to the standard list of criteria for an intelligence. His criteria suggest further arguments for considering EI a distinct variety of intelligence.

- *Potential for isolation by brain damage, making it separable from other abilities in the functioning of the brain.* Studies have indicated that trauma to the brain's emotional circuitry and that circuitry's connections to the prefrontal areas can have significant consequences for the performance of competencies associated with EI, such as Empathy or Collaboration, yet can leave abilities associated with pure intellect entirely intact (Damasio, 1994).
- *An evolutionary history and evolutionary plausibility.* The limbic structures in the brain that govern emotion integrate with neocortical structures, particularly the prefrontal areas, in producing the instinctual emotional responses that have been essential for our survival throughout human evolution (Lewis, Amini, & Lannon, 2000). These prefrontal limbic structures appear to be the underlying circuits for the bulk of the EI competencies.
- *An identifiable core operation or set of operations.* A universal characteristic of EI models is a 2 x 2 core set of operations constituting the overall ability to recognize and regulate emotions in oneself and others. (Figure 3.1 is an example of this core set of operations.)

- *Susceptibility to encoding in a symbol system.* We are able to articulate our feelings and the operations of the core EI abilities. (The EI theory of performance discussed in Chapter Three represents one form of this encoding.)
- *A distinct developmental history, along with a definable set of expert, or end state, performances.* Emotional skills range from the simple (recognizing that you're upset) to the complex (artfully calming down an upset colleague). Emotional skills tend to develop in children at specific and recognizable stages: for example, there is a point at which young children become able to label emotions and talk about their feelings, and this ability precedes the ability to recognize feelings in others and to soothe them (see, for example, Saarni, 1997). Experts, such as high performers in the workplace, exhibit this developmental dimension in their set of learned EI competencies (Goleman, 1998b).

EI Versus IQ as a Predictor of Workplace Performance

Does EI predict success more strongly than IQ? In one sense, this question is purely academic: in life, cognitive abilities and emotional intelligence always interplay. But in another sense, it has practical implications for significant workplace decisions. For example, in Chapter Eight Claudio Fernández-Aráoz offers qualitative data suggesting that basing the selection of high-level executives solely on their academic intelligence and business expertise and ignoring their emotional intelligence often leads to poor choices that can be disastrous for an organization. Data establishing the relative contribution of EI and IQ to effective performance would be of both theoretical and practical importance—for instance, providing a scientific rationale for making more balanced decisions in hiring and promotions.

There is good reason to expect that EI and IQ make separate and discrete contributions to performance. For one thing, early studies of the correlation between IQ and EI show a range from 0 to .36, depending on the measures used. John Mayer, using his own EI measure, reports a zero correlation with fluid intelligence and a .36 correlation with verbal IQ; Reuven Bar-On, using his own measure, finds correlations ranging from .06 to .12—positive but not significant (Mayer, 2000; Bar-On, 2000a).

However, the EI concept has been articulated relatively recently, and there has not yet been time to conduct a longitudinal study designed to assess the predictive power of EI relative to IQ in distinguishing workplace performance over the course of a career. My belief is that if such a study were done, IQ would be a much stronger predictor than EI of which jobs or professions people can enter. Because IQ stands as a proxy for the cognitive complexity a person can process, it should predict what technical expertise that person can master. Technical expertise, in turn, represents the major set of threshold competencies that determine whether a person can get and keep a job in a given field. IQ, then, plays a sorting function in determining what jobs people can hold. However, having enough cognitive intelligence to hold a given job does not by itself predict whether one will be a star performer or rise to management or leadership positions in one's field.

In my own analysis of competency data for outstanding performers within a given field, an emphasis on emotional intelligence-based abilities emerged. These data were gathered from several hundred organizations (Goleman, 1998b). Mostly proprietary and so not typically shared outside companies, they reveal the competencies that a given organization has concluded distinguish star performers from average ones in a specific job or role. Such studies are undertaken for competitive, strategic reasons: companies

want to identify these key capabilities so that they can hire and promote people who have them or develop them in their employees (Spencer & Spencer, 1993).

The competencies in these models generally fall into one of three domains: technical skills (for example, software programming), purely cognitive abilities (for example, analytical reasoning), and abilities in the EI range (such as customer service or conflict management abilities). These EI-based competencies combine both cognitive and emotional skills, and so are distinguished from purely cognitive abilities like IQ and from technical skills, which have no such emotional component.

Comparing the three domains, I found that for jobs of all kinds, emotional competencies were twice as prevalent among distinguishing competencies as were technical skills and purely cognitive abilities combined (Goleman, 1998b). In general the higher a position in an organization, the more EI mattered: for individuals in leadership positions, 85 percent of their competencies were in the EI domain. These competency models reflect the perceived value of EI competencies relative to technical and cognitive abilities and so are highly consequential. They already guide decisions about who is hired, who is put on a fast track for promotion, and where to focus development efforts—particularly for leadership—in many of the largest organizations throughout the world (Spencer & Spencer, 1993).

EI may so strongly outstrip intellect alone in this context because those in the pools that were evaluated had had to clear relatively high entry hurdles for IQ and technical competence. For most positions, particularly those at the higher levels of an organization, competencies in technical and cognitive realms are *threshold* skills, essential requirements for entry into fields like engineering, law, or the executive management of an organization. Because everyone in a given field has its threshold skills, these basic abilities lose their power as *distinguishing* competencies, the capabilities that set outstanding performers apart from average.

IQ, then, mainly predicts what profession an individual can hold a job in—for instance, it takes a certain mental acumen to pass the bar exam or the MCATs. Estimates are that in order to pass the requisite cognitive hurdles such as exams or required coursework or mastery of technical subjects and enter a profession like law, engineering, or senior management, individuals need an IQ in the 110 to 120 range (Spencer & Spencer, 1993). That means that once one is in the pool of people in a profession, one competes with people who are also at the high end of the bell curve for IQ. This is why, even though IQ is a strong predictor of success among the general population, its predictive power for outstanding performance weakens greatly once the individuals being compared narrow to a pool of people in a given job in an organization, particularly at its higher levels (Goleman, 1998b).

In contrast, there is less systematic selection pressure for emotional intelligence along the way to entering the ranks of such professions. Of course some minimal level of EI is needed to be successful in school and to enter a profession, but because there is no specific EI hurdle one must clear to enter a profession, there is a much wider range of EI abilities among those one competes with in one's field. For that reason, once people are in a given job, role, or profession, EI emerges as a more powerful predictor of who succeeds and who does not—for instance, who is promoted to the upper echelons of management and who passed over.

In short, my position is that IQ will be a more powerful predictor than EI of individuals' career success in studies of large populations over the career course because it sorts people before they embark on a career, determining which fields or professions they can enter. But when studies look *within* a job or profession to learn which individuals rise to the top and which plateau or fail, EI should prove a more powerful predictor of success than IQ.

IQ Versus EI: The Data

My position on this question has been misrepresented by John Mayer and his colleagues (Mayer, Salovey, and Caruso, 2000), apparently based on a misreading of my 1995 book, in which I state that EI "can be as powerful, and at times more powerful, than IQ" in predicting success at a variety of life tasks (p. 34). They infer that I was asserting that EI should predict success at levels higher than $r = .45$, the figure that many studies have found for IQ as a predictor of success in fields such as academics. However, as I have since pointed out to Mayer, my statement pertained to areas in life where IQ predicts not at that strong level but at weaker ones—areas such as health or marital success. With regard to work performance, as I have just explained, my prediction is that in distinguishing successful people *within* a job category or profession, EI will also emerge as a stronger predictor than IQ of who, for instance, will become a star salesperson, team head, or top-rank leader.

The resolution of this issue awaits the appropriate research. The existing data that speak to the relative contribution of EI and IQ to career success are sparse and largely indirect. For example, among the measures taken of eighty graduate students at the University of California-Berkeley in 1950, Feist and Barron (1996) identified measures that in retrospect seemed to reflect EI—for example, measures of emotional balance and interpersonal effectiveness. Feist and Barron report these surrogate measures of EI accounted for 13 percent of variance over and above IQ scores in predicting the students' career success forty years later, whereas IQ added no variance over and above the EI measures. Although these surrogate measures do appear to fall within the EI domain, they reflect only a slim portion of the EI spectrum.

One of the few longitudinal studies to directly compare the contribution to work performance (as gauged by promotions) of cognitive competencies and EI competencies was done by Dulewicz and Higgs (1998). They reanalyzed data from a seven-year study of the career progress of fifty-eight general managers in the United Kingdom and Ireland, assessing three domains of ability—emotional skill (which they call EQ), intellectual aptitude (IQ), and managerial competency (MQ) that contributes to on-the-job performance. The emotional skill category included abilities like Resilience, Influence, Assertiveness, Integrity, and Leadership. The IQ domain was not assessed by intelligence test scores but by competencies used as surrogate measures, such as Analysis, Judgment, Planning, Creativity, and Risk-Taking. MQ included Supervision, Oral Communication, Business Sense, Self-Management, and Initiative and Independence.

Dulewicz and Higgs found that their measure of emotional intelligence accounted for 36 percent of the variance in organizational advancement whereas IQ accounted for 27 percent and MQ 16 percent. This suggests that EI contributes slightly more to career advancement than does IQ. However, there are several limitations to this study. One is that the measure of IQ involves surrogates—such as Judgment, Creativity, and Risk-

Taking—that have questionable or uncertain relationships to standard measures of intelligence. Another limitation is that some competencies classified in the IQ and MQ domains—such as Self-Management, Initiative, and Risk-Taking—arguably belong in the EQ category. In addition, compared to the generic EI model described in this chapter, the study's EQ model fails to reflect the full spectrum of EI, omitting several key competencies, including any measure of Self-Awareness, a cluster of competencies that some research suggests is the cornerstone of emotional intelligence (Boyatzis, Goleman, & Rhee, 2000). For all these reasons, this study seems to underestimate the effect of emotional intelligence on success.

The relative significance of emotional competencies compared to cognitive abilities has also been borne out by several converging analyses using different data sets. A competency study drawing on models from forty companies revealed that strengths in purely cognitive capacities were 27 percent more frequent in the stars than in the average performers, whereas greater strengths in emotional competencies were 53 percent more frequent (Goleman, 1998b). In Boyatzis's classic 1982 study of more than two thousand supervisors, middle managers, and executives at twelve organizations, all but two of the sixteen abilities setting the star apart from the average performers were emotional competencies. And an analysis of job competencies at 286 organizations worldwide by Spencer and Spencer (1993) indicated that eighteen of the twenty-one competencies in their generic model for distinguishing superior from average performers were EI based. However, a more definitive analysis—particularly a multiple regression using such a data set—remains to be done. My prediction is that when such a study is done, EI-based competencies will have greater power than IQ-based measures in predicting which individuals in a given job pool will be outstanding.

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An EI-Based Theory of Performance
From the book *The Emotionally Intelligent Workplace*
Edited by: Cary Cherniss and Daniel Goleman
Now available through Amazon.com

CHAPTER THREE
By: Daniel Goleman

In 1998, in *Working with Emotional Intelligence*, I set out a framework of emotional intelligence (EI) that reflects how an individual's potential for mastering the skills of Self-Awareness, Self-Management, Social Awareness, and Relationship Management translates into on-the-job success. This model is based on EI competencies that have been identified in internal research at hundreds of corporations and organizations as distinguishing outstanding performers. Focusing on EI as a theory of performance, this chapter presents a new version of that model, looks at the physiological evidence underlying EI theory, and reviews a number of studies of the drivers of workplace performance and the factors that distinguish the best individuals from the average ones.

As I define it, an *emotional competence* is "a learned capability based on emotional intelligence that results in outstanding performance at work" (Goleman, 1998b). To be adept at an emotional competence like Customer Service or Conflict Management requires an underlying ability in EI fundamentals, specifically, Social Awareness and Relationship Management. However, emotional competencies are learned abilities: having Social Awareness or skill at managing relationship does not guarantee we have *mastered* the additional learning required to handle a customer adeptly or to resolve a conflict—just that we have the *potential to become skilled* at these competencies.

Emotional competencies are job skills that can, and indeed must, be learned. An underlying EI ability is necessary, though not sufficient, to manifest competence in any one of the four EI domains, or clusters that I introduced in Chapter Two. Consider the IQ corollary that a student can have excellent spatial abilities yet never learn geometry. So too can a person be highly empathic yet poor at handling customers if he or she has not learned competence in customer service. Although our emotional *intelligence* determines our potential for learning the practical skills that underlie the four EI clusters, our emotional *competence* shows how much of that potential we have realized by learning and mastering skills and translating intelligence into on-the-job capabilities.

Figure 3.1 presents the current version of my EI framework. Twenty competencies nest in four clusters of general EI abilities. The framework illustrates, for example, that we cannot demonstrate the competencies of trustworthiness and conscientiousness without mastery of the fundamental ability of Self-Management or the Competencies of Influence, Communication, Conflict Management, and so on without a handle on Managing Relationships.

Figure 3.1. A FRAMEWORK OF EMOTIONAL COMPETENCIES

	Self Personal Competence	Other Social competence
Recognition	Self-Awareness - Emotional self-awareness - Accurate self-assessment - Self-confidence	Social Awareness - Empathy - Service orientation - Organizational awareness
Regulation	Self-Management - Self-control - Trustworthiness - Conscientiousness - Adaptability - Achievement drive - Initiative	Relationship Management - Developing others - Influence - Communication - Conflict management - Leadership - Change catalyst - Building bonds - Teamwork & collaboration

This model is a refinement of the model I used in 1998. That earlier framework identified five domains, or dimensions, of emotional intelligence that comprised twenty-five competencies. Three dimensions—Self-Awareness, Self-Regulation, and Motivation—described personal competencies, that is, knowing and managing emotions in oneself. Two dimensions—Empathy and Social Skills—described social competencies, that is, knowing and managing emotions in others. The current model reflects recent statistical analyses by my colleague Richard Boyatzis that supported collapsing the twenty-five competencies into twenty, and the five domains into the four seen here: Self-Awareness, Self-Management, Social Awareness, and Relationship Management (Boyatzis, Goleman, & Rhee, 2000). Boyatzis, Goleman, and Rhee administered the Emotional Competence Inventory, a questionnaire designed to assess the twenty EI competencies just described, to nearly six hundred corporate managers and professionals and engineering, management, and social work graduate students. Respondents were asked to indicate the degree to which statements about EI-related behaviors—for instance, the ability to remain calm under pressure—were characteristic of themselves. Their ratings of themselves were then compared to ratings of them made those who worked with them. Three key clusters into which the twenty EI competencies were grouped emerged: Self-Awareness, Self-Management, and Social Awareness (which subsumes Empathy), along with Relationship Management, which, in the statistical analysis, subsumed the Social Awareness cluster. While the analysis verifies that the competencies nest within each EI domain, it also suggests that the distinction between the

Social Awareness cluster and the Relationship Management cluster may be more theoretical than empirical.

In this process the competence called Innovation was collapsed into Initiative; Optimism was integrated with Achievement Drive; Leveraging Diversity and Understanding Others combined to become Empathy; Organizational Commitment was collapsed into Leadership; and the separate competencies Collaboration and Team Capabilities became one, called Teamwork and Collaboration. Political Awareness was renamed Organizational Awareness, and Emotional Awareness became Emotional Self-Awareness.

Neurological Substrates of EI

The competencies named in Figure 3.1 have long been recognized as adding value to performance; however, one of the functions of the EI framework is to reflect the neurological substrates of this set of human abilities. An understanding of these neurological substrates has critical implications for how people can best learn to develop strengths in the EI range of competencies.

The EI theory of performance posits that each of the four domains of EI derives from distinct neurological mechanisms that distinguish each domain from the others and all four from purely cognitive domains of ability. In turn, at a higher level of articulation, the EI competencies nest within these four EI domains. This distinction between EI-based competencies and purely cognitive abilities like IQ can now be drawn more clearly than before owing to recent findings in neuroscience. Research in the newly emerging field of *affective neuroscience* (Davidson, Jackson, & Kalin, 2000) offers a fine-grained view of the neural substrates of the EI-based range of behavior and allows us to see a bridge between brain function and the behaviors described in the EI model of performance.

From the perspective of affective neuroscience, the defining boundary in brain activity between emotional intelligence and cognitive intelligence is the distinction between capacities that are purely (or largely) neocortical and those that *integrate* neocortical and limbic circuitry. Intellectual abilities like verbal fluency, spatial logic, and abstract reasoning—in other words, the components of IQ—are based primarily in specific areas of the neocortex. When these neocortical areas are damaged, the corresponding intellectual ability suffers. In contrast, emotional intelligence encompasses the behavioral manifestations of underlying neurological circuitry that primarily links the limbic areas for emotion, centering on the amygdala and its extended networks throughout the brain, to areas in the prefrontal cortex, the brain's executive center.

Key components of this circuitry include the dorsolateral, ventromedial, and orbitofrontal sectors of the prefrontal cortex (with important functional differences between left and right sides in each sector) and the amygdala and hippocampus (Davidson, Jackson, & Kalin, 2000). This circuitry is essential for the development of skills in each of the four main domains of emotional intelligence. Lesions in these areas produce deficits in the hallmark abilities of EI—Self-Awareness, Self-Management (including Motivation), Social Awareness skills such as Empathy, and Relationship Management, just as lesions in discrete areas of the neocortex selectively impair aspects of purely cognitive abilities such as verbal fluency or spatial reasoning (Damasio, 1994, 1999).

The first component of emotional intelligence is *Emotional Self-Awareness*, knowing what one feels. John Mayer (see, for example, Mayer & Stevens, 1994) uses the term *meta-mood*, the affective analogue of *meta-cognition*, for key aspects of Emotional Self-Awareness. The neural substrates of Emotional Self-Awareness have yet to be determined with precision. But Antonio Damasio (1994), on the basis of neuropsychological studies of patients with brain lesions, proposes that the ability to sense, articulate, and reflect on one's emotional states hinges on the neural circuits that run between the prefrontal and verbal cortex, the amygdala, and the viscera. Patients with lesions that disconnect the amygdala from the prefrontal cortex, he finds, are at a loss to give words to feelings, a hallmark of the disorder alexithymia. In some ways, alexithymia and Emotional Self-Awareness may be mirror concepts, one reflecting a deficiency in the workings of these neural substrates, the other efficiency (Taylor, Parker, & Bagby, 1999).

The second component of EI, *Emotional Self-Management*, is the ability to regulate distressing affects like anxiety and anger and to inhibit emotional impulsivity. PET (positron-emission tomography) measurements of glucose metabolism reveal that individual differences in metabolic activity in the amygdala are associated with levels of distress or dysphoria—the more activity, the greater the negative affect (Davidson, Jackson, & Kalin, 2000). In contrast, metabolic activity in the left medial prefrontal cortex is inversely related to levels of activity in the amygdala—an array of inhibitory neurons in the prefrontal area, animal studies have shown, regulate activation of the amygdala. In humans, the greater the activity level in the left medial prefrontal cortex, the more positive the person's emotional state. Thus a major locus of the ability to regulate negative affect appears to be the circuit between the amygdala and the left prefrontal cortex.

This circuitry also appears instrumental in the motivational aspect of Emotional Self-Management; it may sustain the residual affect that propels us to achieve our goals. David McClelland (1975) has defined motivation as “an affectively toned associative network arranged in a hierarchy of strength and importance in the individual,” which determines what goals we seek (p. 81). Davidson proposes that the left medial prefrontal cortex is the site of “affective working memory.” Damage to this region is associated with a loss of the ability to sustain goal-directed behavior; loss of the capacity to anticipate affective outcomes from accomplishing goals diminishes the ability to guide behavior adaptively (Davidson, Jackson, & Kalin, 2000). In other words, Davidson proposes that the prefrontal cortex allows us to hold in mind or remind ourselves of the positive feelings that will come when we attain our goals and at the same time allows us to inhibit the negative feelings that would discourage us from continuing to strive toward those goals.

Social Awareness, the third EI component, which encompasses the competency of Empathy, also involves the amygdala. Studies of patients with discrete lesions to the amygdala show impairment of their ability to read nonverbal cues for negative emotions, particularly anger and fear, and to judge the trustworthiness of other people (Davidson, Jackson, & Kalin, 2000). Animal studies suggest a key role in recognizing emotions for circuitry running from the amygdala to the visual cortex; Brothers (1989), reviewing both neurological findings and comparative studies with primates, cites data showing that certain neurons in the visual cortex respond only to specific emotional cues, such as a

threat. These emotion-recognition cortical neurons have strong connections to the amygdala.

Finally, *Relationship Management*, or Social Skill, the fourth EI component, poses a more complex picture. In a fundamental sense, the effectiveness of our relationship skills hinges on our ability to attune ourselves to or influence the emotions of another person. That ability in turn builds on other domains of EI, particularly Self-Management and Social Awareness. If we cannot control our emotional outbursts or impulses and lack Empathy, there is less chance we will be effective in our relationships.

Indeed, in an analysis of data on workplace effectiveness, Richard Boyatzis, Ruth Jacobs, and I have found that Emotional Self-Awareness is a prerequisite for effective Self-Management, which in turn predicts greater Social Skill. A secondary pathway runs from Self-Awareness to Social Awareness (particularly Empathy) to Social Skill. Managing relationships well, then, depends on a foundation of Self-Management and Empathy, each of which in turn requires Self-Awareness.

This evidence that Empathy and Self-Management are foundations for social effectiveness finds support at the neurological level. Patients with lesions in the prefrontal-amygdala circuits that undergird both Self-Management and Empathy show marked deficits in relationship skills, even though their cognitive abilities remain intact (Damasio, 1994). When Damasio administered an EI measure to one such patient, he found that though the patient had an IQ of 140, he showed marked deficits in self-awareness and empathy (Bar-On, 2000b). Primate studies find parallel effects. Monkeys in the wild who had this prefrontal-amygdala circuitry severed were able to perform food gathering and similar tasks to maintain themselves but lacked all sense of how to respond to other monkeys in the band, even running away from those who made friendly gestures (Brothers, 1989).

The Business Case for EI Competencies

The data documenting the importance for outstanding performance of each of the twenty emotional intelligence competencies have been building for more than two decades. I have reviewed the data for each competence (Goleman, 1998b), as have Cherniss and Adler (2000). Moreover the data continue to build, both informally, as organizations worldwide do internal studies to identify the competencies that distinguish outstanding from average performers, and formally, as academic researchers continue to focus studies on one or another of these capabilities.

David McClelland (1975) was perhaps the first to propose the concept of competence as a basis for identifying what differentiates outstanding from average performers at work. McClelland (1998) reviewed data from more than thirty different organizations and for executive positions in many professions, from banking and managing to mining geology, sales, and health care. He showed that a wide range of EI competencies (and a narrow range of cognitive ones) distinguished top performers from average ones. Those that distinguished most powerfully were Achievement Drive, Developing Others, Adaptability, Influence, Self-Confidence, and Leadership. The one cognitive competence that distinguished as strongly was Analytic Thinking.

Although each competence contributes on its own to workplace effectiveness, I believe it is less useful to consider them one by one than it is to examine them in their

clusters, where one can also assess the synergies of strengths in several competencies that enable outstanding performance, as McClelland (1998) has shown. For that reason, I review here only selected examples of data linking the EI competencies to workplace performance. Readers who seek a fuller review should consult Goleman (1998b) or the classic work of Boyatzis (1982) and Spencer and Spencer (1993).

The Self-Awareness Cluster: Understanding Feelings and Accurate Self-Assessment

The first of the three Self-Awareness competencies, *Emotional Self-Awareness*, reflects the importance of recognizing one's own feelings and how they affect one's performance. At a financial services company emotional self-awareness proved crucial in financial planners' job performance (Goleman, 1998b). The interaction between a financial planner and a client is delicate, dealing not only with hard questions about money but also, when life insurance comes up, the even more discomfiting issue of mortality; the planners' Self-Awareness apparently helped them handle their own emotional reactions better.

At another level, Self-Awareness is key to realizing one's own strengths and weaknesses. Among several hundred managers from twelve different organizations, *Accurate Self-Assessment* was the hallmark of superior performance (Boyatzis, 1982). Individuals with the Accurate Self-Assessment competence are aware of their abilities and limitations, seek out feedback and learn from their mistakes, and know where they need to improve and when to work with others who have complementary strengths. Accurate Self-Assessment was the competence found in virtually every "star performer" in a study of several hundred knowledge workers—computer scientists, auditors and the like—at companies such as AT&T and 3M (Kelley, 1998). On 360-degree competence assessments, average performers typically overestimate their strengths, whereas star performers rarely do; if anything, the stars tended to underestimate their abilities, an indicator of high internal standards (Goleman, 1998b).

The positive impact of the *Self-Confidence* competence on performance has been shown in a variety of studies. Among supervisors, managers, and executives, a high degree of Self-Confidence distinguishes the best from the average performers (Boyatzis, 1982). Among 112 entry-level accountants, those with the highest sense of Self-Efficacy, a form of Self-Confidence, were rated by their supervisors ten months later as having superior job performance. The level of Self-Confidence was in fact a stronger predictor of performance than the level of skill or previous training (Saks, 1995). In a sixty-year study of more than one thousand high-IQ men and women tracked from early childhood to retirement, those who possessed Self-Confidence during their early years were most successful in their careers (Holahan & Sears, 1995).

The Self-Management Cluster: Managing Internal States, Impulses, and Resources

The Self-Management cluster of EI abilities encompasses six competencies. Heading the list is the *Emotional Self-Control* competence, which manifests largely as the absence of distress and disruptive feelings. Signs of this competence include being unfazed in stressful situations or dealing with a hostile person without lashing out in return. Among small business owners and employees, those with a stronger sense of

control over not only themselves but the events in their lives are less likely to become angry or depressed when faced with job stress or to quit (Rahim & Psenicka, 1996). Among counselors and psychotherapists, superior performers tend to respond calmly to angry attacks by a patient, as do outstanding flight attendants dealing with disgruntled passengers (Boyatzis & Burrus, 1995; Spencer & Spencer, 1993). And among managers and executives, top performers are able to balance their drive and ambition with Emotional Self-Control, harnessing their personal needs in the service of the organization's goals (Boyatzis, 1982). Those store managers who are best able to manage their own stress and stay unaffected have the most profitable stores, by such measures as sales per square foot, in a national retail chain (Lusch & Serkenci, 1990).

The *Trustworthiness* competence translates into letting others know one's values and principles, intentions and feelings, and acting in ways that are consistent with them. Trustworthy individuals are forthright about their own mistakes and confront others about their lapses. A deficit in this ability operates as a career derailer (Goleman, 1998b).

The signs of the *Conscientiousness* competence include being careful, self-disciplined, and scrupulous in attending to responsibilities. Conscientiousness distinguishes the model organizational citizens, the people who keep things running as they should. In studies of job performance, outstanding effectiveness in virtually all jobs—from the bottom to the top of the corporate ladder—depends on Conscientiousness (Barrick & Mount, 1991). Among sales representatives for a large U.S. appliance manufacturer, those who were most conscientious had the largest volume of sales (Barrick, Mount, & Straus, 1993).

If there is any single competence our present times call for, it is *Adaptability*. Superior performers in management ranks exhibit this competence (Spencer & Spencer, 1993). They are open to new information and can let go of old assumptions and so adapt how they operate. Emotional resilience allows an individual to remain comfortable with the anxiety that often accompanies uncertainty and to think “out of the box,” displaying on-the-job creativity and applying new ideas to achieve results. Conversely, people who are uncomfortable with risk and change become naysayers who can undermine innovative ideas or be slow to respond to a shift in the marketplace. Businesses with less formal and more ambiguous, autonomous, and flexible roles for employees open flows of information, and multidisciplinary team-oriented structures experience greater innovation (Amabile, 1988).

David McClelland's landmark work *The Achieving Society* (1961) established *Achievement Orientation* as the competence that drives the success of entrepreneurs. In its most general sense, this competence, which I call *Achievement Drive*, refers to an optimistic striving to continually improve performance. Studies that compare star performers in executive ranks to average ones find that stars display classic achievement-oriented behaviors—they take more calculated risks, they support enterprising innovations and set challenging goals for their employees, and so forth. Spencer and Spencer (1993) found that the need to achieve is the competence that most strongly sets apart superior and average executives. Optimism is a key ingredient of achievement because it can determine one's reaction to unfavorable events or circumstances; those with high achievement are proactive and persistent, have an optimistic attitude toward setbacks, and operate from hope of success. Studies have shown that optimism can contribute significantly to sales gains, among other accomplishments (Schulman, 1995).

Those with the *Initiative* competence act before being forced to do so by external events. This often means taking anticipatory action to avoid problems before they happen or taking advantage of opportunities before they are visible to anyone else. Individuals who lack Initiative are reactive rather than proactive, lacking the farsightedness that can make the critical difference between a wise decision and a poor one. Initiative is key to outstanding performance in industries that rely on sales, such as real estate, and to the development of personal relationships with clients, as is critical in such businesses as financial services or consulting (Crant, 1995; Rosier, 1996).

The Social Awareness Cluster: Reading People and Groups Accurately

The Social Awareness cluster manifests in three competencies. The *Empathy* competence gives people an astute awareness of others' emotions, concerns, and needs. The empathic individual can read emotional currents, picking up on nonverbal cues such as tone of voice or facial expression. Empathy requires Self-Awareness; our understanding of others' feelings and concerns flows from awareness of our own feelings. This sensitivity to others is critical for superior job performance whenever the focus is on interactions with people. For instance, physicians who are better at recognizing emotions in patients are more successful than their less sensitive colleagues at treating them (Friedman & DiMatteo, 1982). The ability to read others' needs well comes naturally to the best managers of product development teams (Spencer & Spencer, 1993). And skill in Empathy correlates with effective sales, as was found in a study among large and small retailers (Pilling & Eroglu, 1994). In an increasingly diverse workforce, the Empathy competence allows us to read people accurately and avoid resorting to the stereotyping that can lead to performance deficits by creating anxiety in the stereotyped individuals (Steele, 1997).

Social Awareness also plays a key role in the *Service* competence, the ability to identify a client's or customer's often unstated needs and concerns and then match them to products or services; this empathic strategy distinguishes star sales performers from average ones (Spencer & Spencer, 1993). It also means taking a long-term perspective, sometimes trading off immediate gains in order to preserve customer relationships. A study of an office supply and equipment vendor indicated that the most successful members of the sales team were able to combine taking the customer's viewpoint and showing appropriate assertiveness in order to steer the customer toward a choice that satisfied both the customer's and the vendor's needs (McBane, 1995).

Organizational Awareness, the ability to read the currents of emotions and political realities in groups, is a competence vital to the behind-the-scenes networking and coalition building that allows individuals to wield influence, no matter what their professional role. Insight into group social hierarchies requires Social Awareness on an organizational level, not just an interpersonal one. Outstanding performers in most organizations share this ability; among managers and executive generally, this emotional competence distinguishes star performers. Their ability to read situations objectively, without the distorting lens of their own biases and assumptions, allows them to respond effectively (Boyatzis, 1982).

The Relationship Management Cluster: Inducing Desirable Responses in Others

The Relationship Management set of competencies includes essential Social Skills. Developing Others involves sensing people's developmental needs and bolstering their abilities—a talent not just of excellent coaches and mentors, but also outstanding leaders. Competence in developing others is a hallmark of superior managers; among sales managers, for example, it typifies those at the top of the field (Spencer and Spencer, 1993). Although this ability is crucial for those managing front-line work, it has also emerged as a vital skill for effective leadership at high levels (Goleman, 2000b).

We practice the essence of the *Influence* competence when we handle and manage emotions effectively in other people and are persuasive. The most effective people sense others' reactions and fine-tune their own responses to move interaction in the best direction. This emotional competence emerges over and over again as a hallmark of star performers, particularly among supervisors, managers, and executives (Spencer & Spencer, 1993). Star performers with this competence draw on a wider range of persuasion strategies than others do, including impression management, dramatic arguments or actions, and appeals to reason. At the same time, the Influence competence requires them to be genuine and put collective goals before their self-interests; otherwise what would manifest as effective persuasion becomes manipulation.

Creating an atmosphere of openness with clear lines of communication is a key factor in organizational success. People who exhibit the *Communication* competence are effective in the give-and-take of emotional information, deal with difficult issues straightforwardly, listen well and welcome sharing information fully, and foster open communication and stay receptive to bad news as well as good. This competence builds on both managing one's own emotions and empathy; a healthy dialogue depends on being attuned to others' emotional states and controlling the impulse to respond in ways that might sour the emotional climate. Data on managers and executives show that the better people can execute this competence, the more others prefer to deal with them (J. Walter Clarke Associates, cited in Goleman, 1998b).

A talent of those skilled in the *Conflict Management* competence is spotting trouble as it is brewing and taking steps to calm those involved. Here the arts of listening and empathizing are crucial to the skills of handling difficult people and situations with diplomacy, encouraging debate and open discussion, and orchestrating win-win situations. Effective Conflict Management and negotiation are important to long-term, symbiotic business relationships, such as those between manufacturers and retailers. In a survey of retail buyers in department store chains, effectiveness at win-win negotiating was an accurate barometer of the health of the manufacturer-retailer relationship (Ganesan, 1993).

Those adept at the *Visionary Leadership* competence draw on a range of personal skills to inspire others to work together toward common goals. They are able to articulate and arouse enthusiasm for a shared vision and mission, to step forward as needed, to guide the performance of others while holding them accountable, and to lead by example. Outstanding leaders integrate emotional realities into what they see and so instill strategy with meaning and resonance. Emotions are contagious, particularly when exhibited by those at the top, and extremely successful leaders display a high level of positive energy that spreads throughout the organization. The more positive the style of a leader, the more

positive, helpful, and cooperative are those in the group (George & Bettenhausen, 1990). And the emotional tone set by a leader tends to ripple outward with remarkable power (Bachman, 1988).

The acceleration of transitions as we enter the new century has made the *Change Catalyst* competence highly valued—leaders must be able to recognize the need for change, remove barriers, challenge the status quo, and enlist others in pursuit of new initiatives. An effective change leader also articulates a compelling vision of the new organizational goals. A leader's competence at catalyzing change brings greater efforts and better performance from subordinates, making their work more effective (House, 1988).

The *Building Bonds* competence epitomizes stars in fields like engineering, computer science, biotechnology, and other *knowledge work* fields in which networking is crucial for success; these stars tend to choose people with a particular expertise or resource to be part of their networks (Kelley, 1998). Outstanding performers with this competence balance their own critical work with carefully chosen favors, building accounts of goodwill with people who may become crucial resources down the line. One of the virtues of building such relationships is the reservoir of trust and goodwill that they establish; highly effective managers are adept at cultivating these relationships, whereas less effective managers generally fail to build bonds (Kaplan, 1991).

The *Collaboration and Teamwork* competence has taken on increased importance in the last decade with the trend toward team-based work in many organizations. Teamwork itself depends on the collective EI of its members; the most productive teams are those that exhibit EI competencies at the team level (as Druskat and Wolff discuss in Chapter Six). And Collaboration is particularly crucial to the success of managers; a deficit in the ability to work cooperatively with peers was, in one survey, the most common reason managers were fired (Sweeney, 1999). Team members tend to share moods, both good and bad—with better moods improving performance (Totterdell, Kellett, Teuchmann, & Briner, 1998). The positive mood of a team leader at work promotes worker effectiveness and promotes retention (George & Bettenhausen, 1990). Finally, positive emotions and harmony on a top-management team predict its effectiveness (Barsade & Gibson, 1998).

Competence Comes in Multiples

Although there is theoretical significance in showing that each competence in itself has a significant impact on performance, it is also in a sense an artificial exercise. In life—and particularly on the job—people exhibit these competencies in groupings, often across clusters, that allow competencies to support one another. Emotional competencies seem to operate most powerfully in synergistic groupings, with the evidence suggesting that mastery of a “critical mass” of competencies is necessary for superior performance (Boyatzis, Goleman, & Rhee, 2000).

Along with competency clusters comes the notion of a *tipping point*—the point at which strength in a competence makes a significant impact on performance. Each competence can be viewed along a continuum of mastery; at a certain point along each continuum there is a major leap in performance impact. In McClelland's analysis (1998) of the competencies that distinguish star performers from average ones, he found a

tipping point effect when people exhibited excellence in six or more competencies. McClelland argues that a critical mass of competencies above the tipping point distinguishes top from average performers. The typical pattern is that stars are above the tipping point on at least six EI competencies and demonstrate strengths in at least one competency from each of the four clusters.

This effect has been replicated in Boyatzis's research (1999b), which demonstrated that meeting or surpassing the tipping point in at least three of the four EI clusters was necessary for success among high-level leaders in a large financial services organization. Boyatzis found that both a high degree of proficiency in several aptitudes in the same cluster and a spread of strengths across clusters are found among those who exhibit superior organizational performance.

Using information about the profit produced by partners at a large financial services company, Boyatzis (1999a) was able to analyze the financial impact of having a critical mass of strengths above the tipping point in different EI clusters. At this company, strengths in the Self-Awareness cluster added 78 percent more incremental profit; in the Self-Management cluster, 390 percent more profit, and the Relationship Management cluster, 110 percent more. The extremely large effect from strengths in the Self-Management competencies suggests the importance of managing one's emotions—using abilities such as self-discipline, integrity, and staying motivated toward goals—for individual effectiveness.

Organizations and individuals interface in ways that require a multitude of EI abilities, each most effective when used in conjunction with others. Emotional Self-Control, for instance, supports the Empathy and the Influence competencies. Finding a comfortable fit between an individual and an organization is easier when important aspects of organizational culture (rapid growth, for example) link to a grouping of competencies rather than a single competency.

Other researchers have reported that competencies operate together in an integrated fashion, forming a meaningful pattern of abilities that facilitates successful performance in a given role or job (Nygren & Ukeritis, 1993). Spencer and Spencer (1993) have identified distinctive groupings of competencies that tend to typify high-performing individuals in specific fields, including health care and social services, technical and engineering, sales, client management, and leadership at the executive level.

EI Leadership, Climate, and Organizational Performance

I have indicated how EI can affect an individual's success in an organization. But how does it affect organizational success overall? The evidence suggests that emotionally intelligent leadership is key to creating a working climate that nurtures employees and encourages them to give their best. That enthusiasm, in turn, pays off in improved business performance. This trickle-down effect emerged, for example, in a study of CEOs in U.S. insurance companies. Given comparable size, companies whose CEOs exhibited more EI competencies showed better financial results as measured by both profit and growth (Williams, 1994).

A similar relationship between EI strengths in a leader and business results was found by McClelland (1998) in studying the division heads of a global food and beverage

company. The divisions of the leaders with a critical mass of strengths in EI competencies outperformed yearly revenue targets by a margin of 15 to 20 percent. The divisions of the leaders weak in EI competencies underperformed by about the same margin (Goleman, 1998b).

The relationship between EI strengths in a leader and performance of the unit led appears to be mediated by the climate the leader creates. In the study of insurance CEOs, for example, there was a significant relationship between the EI abilities of the leader and the organizational climate (Williams, 1994). Climate reflects people's sense of their ability to do their jobs well. Climate indicators include the degree of clarity in communication; the degree of employees' flexibility in doing their jobs, ability to innovate, and ownership of and responsibility for their work; and the level of the performance standards set (Litwin & Stringer, 1968; Tagiuri & Litwin, 1968). In the insurance industry study, the climate created by CEOs among their direct reports predicted the business performance of the entire organization, and in three-quarters of the cases climate alone could be used to correctly sort companies by profits and growth.

Leadership style seems to drive organizational performance across a wide span of industries and sectors and appears to be a crucial link in the chain from leader to climate to business success. A study of the heads of forty-two schools in the United Kingdom suggests that leadership style drove up students' academic achievement by directly affecting school climate. When the school head was flexible in leadership style and demonstrated a variety of EI abilities, teachers attitudes were more positive and students' grades higher; when the leader relied on fewer EI competencies, teachers tended to be demoralized and students underperformed academically (Hay/McBer, 2000). Effective school leaders not only created a working climate conducive to achievement but were more attuned to teachers' perceptions of such aspects of climate and organizational health as clarity of vision and level of teamwork.

The benefits of an understanding and empathic school leader were reflected in the teacher-student relationship as well. In a related follow-up analysis, Lees and Barnard (1999) studied the climates of individual classrooms, concluding that teachers who are more aware of how students feel in the classroom are better able to design a learning environment that suits students and better able to guide them toward success. Teachers who have a leader who has created a positive school climate will be better equipped to do the same in their own classrooms. Indeed, several dimensions of school climate identified in the earlier study correspond to dimensions of classroom climate. For instance, clarity of vision in a school's purpose parallels clarity of purpose in class lessons; challenging yet realistic performance standards for teachers translate into like standards for students.

A similar effect of EI-based leadership on climate and performance was demonstrated in a study of outstanding leaders in health care (Catholic Health Association, 1994). For this study, 1,200 members of health care organizations were asked to nominate outstanding leaders based on criteria such as organizational performance and anticipation of future trends. The members were then asked to evaluate the effectiveness of the nominees in fifteen key situations that leaders face—among them organizational change, diversity, and institutional integrity. The study revealed that the more effective leaders in the health care industry were also more adept at integrating key EI competencies such as Organizational Awareness and relationship skills like persuasion and influence.

The link between EI strengths in a leader and the organization's climate is important for EI theory. A Hay/McBer analysis of data on 3,781 executives, correlated with climate surveys filled out by those who worked for them, suggests that 50 to 70 percent of employees' perception of working climate is linked to the EI characteristics of the leader (Goleman, 2000b). Research drawing on that same database sheds light on the role of EI competencies in leadership effectiveness, identifying how six distinct styles of EI-based leadership affect climate. Four styles—the visionary (sometimes called the “authoritative”), the affiliative, the democratic, and the coaching—generally drive climate in a positive direction. Two styles—the coercive and the pacesetter—tend to drive climate downward, particularly when leaders overuse them (though each of these two can have positive impact if applied in appropriate situations). Table 3.1. summarizes these effects.

Table 3.1. LEADERSHIP STYLE, EI, AND ORGANIZATIONAL EFFECTIVENESS

Leadership Style						
	Coercive	Authoritative	Affiliative	Democratic	Pacesetter	Coach
When Appropriate	In a crisis, to kick-start a turnaround, or with problem employees	When change requires a new vision, or when a clear direction is needed	To heal rifts in a team or to motivate during stressful times.	To build buy-in or consensus, or to get valuable input from employees.	To get quick results from a highly motivated and competent team.	To help an employee improve performance or develop long-term strengths.
Objective	Immediate compliance	Mobilize others to follow a vision.	Create harmony.	Build commitment through participation.	Perform tasks to a high standard.	Build strengths for the future.
Impact on Climate	Strongly negative.	Most strongly positive.	Highly positive.	Highly positive.	Highly negative.	Highly positive.
EI Competencies	Drive to achieve; initiative, emotional self-control.	Self-confidence; empathy; change catalyst.	Empathy, building bonds; conflict management.	Collaboration; team leadership; communication.	Conscientiousness; drive to achieve; initiative.	Developing others; empathy; emotional self-awareness

Visionary leaders are empathic, self-confident, and often act as agents of change. Affiliative leaders, too, are empathic, with strengths in building relationships and managing conflict. The democratic leader encourages collaboration and teamwork and communicates effectively—particularly as an excellent listener. And the coaching leader is emotionally self-aware, empathic, and skilled at identifying and building on the potential of others.

The coercive leader relies on the power of his position, ordering people to execute his wishes, and is typically handicapped by a lack of empathy. The pacesetter leader

both sets high standards and exemplifies them, exhibiting initiative and a very high drive to achieve—but to a fault, too often micromanaging or criticizing those who fail to meet her own high standards rather than helping them to improve.

The most effective leaders integrate four or more of the six styles regularly, switching to the one most appropriate in a given leadership situation. For instance, the study of school leaders found that in those schools where the heads displayed four or more leadership styles, students had superior academic performance relative to students in comparison schools. In schools where the heads displayed just one or two styles, academic performance was poorest. Often the styles here were the pacesetter or coercive ones, which tend to undermine teacher morale and enthusiasm (Hay/McBer, 2000).

Among life insurance company CEOs, the very best in terms of corporate growth and profit were those who drew upon a wide range of leadership styles (Williams, 1994). They were adept at all four of the styles that have a positive impact on climate—visionary, democratic, affiliative, and coaching—matching them with the appropriate circumstances. They rarely exhibited the coercive or pacesetter styles.

Granted, the factors influencing organizational performance are diverse and complex. But the EI theory of performance at the collective level predicts positive links between EI leadership, organizational climate, and subsequent performance. Hay/McBer data indicate not only that EI-based leadership may be the most important driver of climate but also that climate in turn may account for 20 to 30 percent of organizational performance (Goleman, 2000b). If these data are borne out, the implications are greatly supportive of employing EI as a criterion for selection, promotion, and development: such an application becomes a competitive strategy.

Implications for the Future: EI and Higher Education

Given the value of the personal and organizational effectiveness of EI-based capabilities, there is a clear need to integrate that valuation into our organizations' functions. Organizations need to hire for emotional intelligence along with whatever other technical skills or business expertise they are seeking. When it comes to promotions and succession planning, EI should be a major criterion, particularly to the extent that a position requires leadership. When those with high potential are being selected and groomed, EI should be central. And in training and development, EI should again be a major focus.

However, because EI competencies entail emotional capacities in addition to purely cognitive abilities, modes of learning that work well for academic subjects or technical skills are not necessarily well suited for helping people improve an emotional competence (Goleman, 1998b). For this reason the Consortium for Research on Emotional Intelligence in Organizations has summarized empirical findings on the mode of learning best for emotional competencies and formulated guidelines for their effective development. The consortium has posted a technical report on its Web site (www.eiconsortium.org) and has fostered a book for HR professionals on how to make training in EI skills most effective (Cherniss & Adler, 2000).

Given our new understanding of the crucial role emotional competence plays in individual, group, and organizational success, the implication for education is clear: We should be helping young people master these competencies as essential life skills. There

are already numerous school-based programs in the basics of EI, programs that deliver *social and emotional learning* (SEL). The Collaborative for Social and Emotional Learning has vetted the best models, and acts as a clearinghouse for these programs through its Web site (www.casel.org).

But as of this writing, when it comes to preparing young people in the essential emotional intelligence skills that matter most for their success in the workplace, for piloting their careers, and for leadership, we face a serious gap. The SEL programs cover the early school years but not higher education. Only a scattered handful of pioneering SEL courses exist at the college or professional level. And yet the data showing the crucial role EI skills play in career success make a compelling case for reenvisioning higher education in order to give these capabilities their place in a well-rounded curriculum.

Given that employers themselves are looking for EI capacities in those they hire, colleges and professional schools that offered appropriate SEL training would benefit both their graduates and the organizations they work for. The most forward-thinking educators will, I hope, recognize the importance of emotional intelligence in higher education, not just for the students, not just for the students' employers, but for the vitality of an economy as a whole. As Erasmus, the great humanist writer, tells us, "The best hope of a nation lies in the proper education of its youth."

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