

“Emotional Intelligence, Leadership, Climate and Performance”

As an OD consultant what advise would you offer Max?

Max is a twenty-year successful financial officer at Finance Services whose corporate headquarters are located in New York. Max's company recently acquired a banking institution with locations in two southern states. Max has been assigned to take over the recently acquired southern footprint as the new regional CEO. Max has been highly successful at Finance Services playing a key role in previous merger and acquisitions. Max attributes previous success in this role to taking complete charge and spelling out the rules of engagement. Max believes in setting tough goals, measures, and tracking mechanisms to measure progress. Max expects the staff and their direct reports to make their number one priority a successful transition and exceed net growth expectations. "Shareholder value folks is what it's all about. We are the stewards of this organization and we have a responsibility to the shareholders." This has become Max's mantra and his beacon.

Finance Services prides itself as a fast-paced organization with increase in market share and shareholder value. The company has enjoyed successful acquisitions winning accolades from its shareholders.

The newly acquired banking institution has a long-standing reputation as a friendly institution with traditional values. It prides itself at exemplary customer friendly service. The banking industry in these southern states is exploding as a result of industries moving into these three states. Two state of the art medical research facilities have increased the demand for trained talent and as a result local universities are also enjoying growth.

The regional headquarters for these two states, located in southern Mississippi, is Max's new home.

His direct staff consists of various senior executives and senior level professional staff. The staff, including the senior executives, average tenure is 17 years. The staff is anxiously awaiting Max's arrival. They have prepared a comprehensive package outlining the bank's vision, key customer success stories which demonstrate their commitment to exemplary service, and low customer and employee turnover across the bank.

It is Monday morning and Max has called a meeting at 8:00 a.m. of all employees who work at the regional corporate headquarters. They are to meet at the corporate headquarter training/auditorium.

Max arrives at 7:00 am Monday morning and is surprised to find only a couple of employees in the building. The employees start arriving at 7:40 a.m.

Max opens the meeting at 8:00 a.m. sharp and the auditorium seats are half-filled. Max is perplexed at the turnout but begins the meeting. "Shareholder value folks is what it's all about. We are the stewards of this organization and we have a responsibility to the shareholders." A sound filled with silence echoes in Max's ears. He continues the speech by telling them a quick transition is necessary if they are to meet the tough goals expected from corporate headquarters. Max continues by stating, "I expect total commitment and dedication on my ship. If you cannot commit to our new vision and strategies then Financial Services is not the right place for you. We cannot build a successful footprint here if we are marching to different visions or strategies." "Commitment starts by being on time." Max motioned to staff standing next to the auditorium doors to close the doors. "If you can't be here on time, then you can't play in our sandbox."

Later that afternoon Max met with the executive team and outlined the strategies, goals, numbers, and deadlines. The team was expected to report results on a daily basis and weekly basis. A meeting was held with senior staff members who were responsible for reporting how they were progressing with their goals and numbers. Market growth numbers were up and new business numbers were also increasing.

A quarter later Max had the quarterly report results. The region was on target with its department numbers. Max noticed turnover was on the increase across the footprint by 25%. Involuntary turnover was up by 10%. Previous customer base numbers were on the decrease. Customer complaints were on the rise. He reviewed the report with his staff. When he asked for input, his request was greeted with silence. He sensed an uneasy feeling in the room. Pat, Operations VP offered this comment, "We have implemented every task according to your plan."

How aware is Max of the impact his approach has on his staff and organization? Should he worry about the increase in turnover, customer complaints, and decrease in customer base numbers? As a consultant how would you rate his **emotional intelligence**?

Leading organizations reported Emotional Intelligence (EI) competence is positively connected to overall organizational performance and EI is positively associated with highly effective leaders. Daniel Goleman’s groundbreaking work on EI and effective leadership informs us that "...highly effective leaders typically exhibit a critical mass of strength in a half dozen or so EI competencies" (Goleman, Boyatzis, & McKee, 2002, p. 39). These are grouped in one of the four personal or social competence domains:

<p>Self-Awareness</p> <ul style="list-style-type: none"> <input type="checkbox"/> Emotional self-awareness <input type="checkbox"/> Accurate self-assessment <input type="checkbox"/> Self-confidence 	<p>Self-Management</p> <ul style="list-style-type: none"> <input type="checkbox"/> Emotional self-control <input type="checkbox"/> Transparency <input type="checkbox"/> Adaptability <input type="checkbox"/> Achievement <input type="checkbox"/> Initiative <input type="checkbox"/> Optimism
<p>Social Awareness</p> <ul style="list-style-type: none"> <input type="checkbox"/> Empathy <input type="checkbox"/> Organizational Awareness <input type="checkbox"/> Service 	<p>Relationship Management</p> <ul style="list-style-type: none"> <input type="checkbox"/> Inspirational leadership <input type="checkbox"/> Influence <input type="checkbox"/> Developing others <input type="checkbox"/> Change catalyst <input type="checkbox"/> Conflict management <input type="checkbox"/> Building bonds <input type="checkbox"/> Teamwork and collaboration

Revised from Goleman, Boyatzis, and McKee, Primal Leadership, Learning to Lead With Emotional Intelligence, 2002, p.39

How would you rate Max’s use of empathy, organizational awareness, building bonds and collaboration competencies? How would you define Max’s leadership style(s) and his effectiveness as a leader in this scenario?

Goleman et.al. (2002) tells us that a resonant leader, "stems not just from leaders’ good moods or ability to say the right thing, but also from whole sets of coordinated activities that comprise particular leadership styles" (p.53).

Leadership Style	How it builds resonance	Impact on Climate	When Appropriate
Visionary	Moves people toward shared dreams	Most strongly positive	When change requires a new vision, or when clear direction is needed
Coaching	Connects what a person wants with the organization's goals	Highly positive	To help an employee improve performance by building long-term capability
Affiliative	Creates harmony by connecting people to each other	Positive	To heal rifts in a team, motivate during stressful times, or strengthen connections
Democratic	Values people's input and gets commitment through participation	Positive	To build buy-in or consensus, or to get valuable input from employees
Pacesetting	Meets challenging and exciting goals	Because too frequently poorly executed, often highly negative	To get high-quality results from a motivated and competent team
Commanding	Soothes fears by giving direction in an emergency	Because so often misused, highly negative	In a crisis, to kick-start a turn around, or with problem employees

Revised from Goleman, Boyatzis, and McKee, Primal Leadership, Learning to Lead With Emotional Intelligence, 2002, p.55)

Highly effective leaders apply all of the above styles given the context of the situation. It is common to see a highly effective leader flex his/her leadership style numerous times if the situation merits changes in leadership styles. A leader's effectiveness has a direct impact on the organization's climate.

Did You Know 30% of an organization's performance is attributed to climate and leaders impact 70% of the climate? Divisions with high Emotional Intelligence outperformed annual earnings goals by 20% (Haygroup, 2002).

Our work offers us many opportunities to work with leaders in the private and public sector. We have encountered numerous Max's in organizations. Research focused on organizational effectiveness show companies invest in leadership and organizational development efforts designed to improve performance and drive results (Hay/McBer, 2003). We find this to be true in our work with organizational leaders. Experience in working with organizations in implementing various leadership and organizational development initiatives has helped us shape guidelines when working on leadership and organizational effectiveness projects focused on emotional intelligence. Here are a few of the guidelines.

1. When asked to develop and conduct a leadership program anchored to emotional intelligence, STOP, and find out the whys and purpose. Is it feasible to link this initiative to business goals and help drive results?
2. Find executive champions and internal stakeholders who can open the necessary doors to help you link the initiative to business goals and drive results.
3. Use a model as your framework (We have studied Hay Group's work which is based on solid research- consists of these four variables: Organizational Climate, Managerial Style, Job Requirements, and Emotional Intelligence Competencies).

4. Employ an organizational systems approach (take the model you have identified in step two collect your data on current vs. wanna be situations).
5. Determine existing structures and systems that will support the initiative with transparency.
6. Use assessment tools (EI 360 instruments, leadership and managerial competency surveys, climate surveys, etc).
7. Incorporate climate survey items linked to EI and leadership behaviors and use to gauge climate improvement.
8. Incorporate EI competency behaviors to existing learning initiatives.
9. Establish a leadership program associated to the business and tools to help them drive results.
10. Incorporate a coaching and action planning process: look for action learning opportunities.
11. Establish cohort webinars as a method to sustain learning and shape the culture.
12. Assess your reward and recognition systems-do you reward EI and leadership behaviors exhibited by highly effective leaders?

About the Authors

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Dr. DeCosmo has 25 years in the field of Organizational Development and Learning. She is currently a consulting partner with the Institute for Organizational Development. She has worked with fortune 500, 100, and 1000 corporations and public sector organizations in the areas of Leadership and Organizational Development. Her expertise includes work in both domestic and international markets. She specializes in HRD/Organizational Development Strategies, Leadership Development, and Emotional Intelligence Competency Development. Dr. DeCosmo's consulting practice focuses on organizational effectiveness, leadership development, change management, and measurement and evaluation with a focus on assessment and development of organizational talent. She works with clients to identify work related issues to determine development initiatives through use of surveys, individual assessments, action learning projects, and formal development programs.

Dr. DeCosmo holds a Ph.D. degree in Global Leadership with a Corporate and Organizational Management Perspective, Masters in Human Relations, and B.A. in Business Communications. She is an Adjunct professor at Nova University and the University of Phoenix. She is fluent in English and Spanish.

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Nancy is an OD consultant with Institute for Organizational Development, an OD consulting firm located in Southern Florida. Her expertise is in talent management, leadership development and organizational effectiveness. Nancy partners with clients to enhance their Organizational Effectiveness and leadership competence through Emotional Intelligence and Action Learning. As a consultant for more than 15 years, she has worked with senior-level

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Dr Zentis has a Masters Degree in Human Resource Management from Central Michigan and a Ph.D. in Organizational Development and Management from Capella University. She has written several articles on Organizational Capacity Building, Action Learning and Competency Modeling. She is currently an adjunct faculty with Brentwood University.

Nancy L. Zentis, Ph.D. is the CEO of HRTalentPRO, an OD consulting firm specializing in Talent Management. She consults with organizations to custom design Talent Management Programs to meet their specific needs. She has implemented Succession Planning, 360 Feedback Assessment, Competency Development, Mentoring, Performance Coaching, and Tracking High Potential Growth in many leading organizations. HRTalentpro recently launched its flexible, affordable on-line database program to help clients manage, administer, and track talent. Nancy is a frequent contributor to ASTD's OD Journal. She can be reached at nancy.zentis@hrtalentpro.com