

OPTIMAL LEADERSHIP AND EMOTIONAL INTELLIGENCE

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The head of a group in a large health care insurance firm had to take a medical leave while their business was undergoing intense regulatory scrutiny. James, the senior vice president who oversaw that executive saw that the group was panicked. He would have to step in to comfort them as well as inspire them so they could perform under this pressure. He temporarily moved his own office into a conference room at the group's location so he could guide them through this crisis.

He was right. The group managed to get through those difficult few weeks and successfully deal with the regulatory challenge.

James's handling of this situation exemplified how emotional intelligence helps leaders and their followers sustain optimal performance. EI is the ability to accurately perceive, understand, and manage one's own emotions and those of others. In this case, when James realized how the group leader's absence during this stressful event would lead to high levels of anxiety, he saw that their stormy emotions would hinder their ability to deal with the crisis. He realized that his calming presence would help them, provided he did

not share their panic. As their boss's boss, he brought them calm confidence, helping the group by managing his own feelings and telling them that he was confident they could handle this tough challenge. It worked.

When we formed the Consortium for Research on Emotional Intelligence in Organizations (CREIO) more than 25 years ago, there was sparse evidence for the role of EI in optimal leading. Now there is substantial data from studies of hundreds of organizations that reveal a wide range of benefits when leaders, teams, and employees embody EI.

Emotionally Intelligent Leadership and the Bottom Line

Benefits from an emotionally intelligent leader include higher performance and job satisfaction and lower turnover, better engagement and morale, more “organizational good citizenship,” and hard numbers for increased profit and growth. All this starts at the top, with the leader. In sum, the hard evidence confirms that emotionally intelligent leaders are more effective: their employees perform better and feel better at work, and their organizations excel.

For instance, in a study of executives in a large Australian public service organization their managers rated how well they achieved business goals during the financial year. Result: The most emotionally intelligent leaders were also the most effective.

It's the same in the for-profit sector. Our colleague Richard Boyatzis and his team from Case Western Reserve University looked at senior executives in a financial management firm, who oversaw financial advisors and their managers. A key performance indicator of their effectiveness was how many new financial advisors were recruited by each executive. Again, those with higher EI recruited more financial advisors, while their mental ability and personality failed to predict their performance.

More compelling than any single finding are meta-analyses, a statistical technique that pools results from

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many studies. One that aggregated findings from 12 different studies with 2,764 participants found that the higher a leader's EI, the better their workers performed. Leader EI accounted for almost 25 percent of the variability in performance, a very large effect. And this holds in cultures around the world.

A larger meta-analysis grouped findings on more than 65,000 entrepreneurs and found those higher in EI had better results in terms of financial success, firm growth, and firm size. Even more striking: EI's impact was over twice as high as IQ.

The impact of a leader's emotional intelligence goes beyond business performance to include *optimal well-being*. For example, information-technology employees working at a large medical facility who had more empathic managers reported fewer complaints like headaches and upset stomachs.

Then there's burnout, when such physical complaints peak under unremitting stress. While researchers once thought burnout was due to someone's personality style, like perfectionism, now it's clear that the worker's relationship with their boss matters more. Research finds that when leaders manage their own emotions and provide empathic support their employees can withstand high levels of stress without burning out.

Using Emotional Intelligence to Influence

Influencing others is the essence of leadership, and here a leader's emotional intelligence can play a critical role. For instance, consider the Chief Executive Officer/CEO of an architectural and engineering firm that

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went through its first round of layoffs in its history. She was acutely aware of how emotions were at play—both her own and those of everyone in the company. So she met with all the remaining employees. She started by talking about her own feelings and how hard it was for her to lay off good people, some who were her friends as well as colleagues. Then, she invited the employees to talk about their own feelings, which brought a storm of emotions. As that surge of feeling died down, she sensed that it was the right time to move on. The CEO started talking about her plans for the company moving forward. As she did so, she became more hopeful and more energized. Emotions are contagious; the employees began to feel the same way.

That leader's handling of the layoffs involved every dimension of EI. It began with her awareness and understanding of how important the emotional climate was and how her own emotions would influence others in the company. She expressed her own emotions in an authentic and compelling way, encouraged everyone to do the same, and then spread more positive feelings as she talked about a more hopeful future for the company. That CEO demonstrated skill in managing emotions, both her own and those of the people she led.

While it can be helpful for leaders to express their feelings openly, they need to do so artfully. Norms in any workplace determine which emotions are “expressible,” how strongly they should be expressed, and when. When leaders violate those norms—for example by angry outbursts—it can have negative effects on their employees as well as on that leaders' effectiveness.

Norms also affect *who* can express which emotions—for example, in some situations or company cultures

women and people of color are punished for expressing emotions while white males aren't.

Still, leaders feel their emotions whether they want to or not. Trying to suppress those emotions or avoid expressing them can harm a leader's credibility and influence. So, too, can a clumsy attempt to express an “appropriate” emotion that the leader does not actually feel. This is where EI is especially important, helping leaders express their feelings in a way that fits the setting's norms, and to do so naturally.

The Toxic Boss

One of us—Daniel Goleman—has asked business groups around the world to think of a boss they loved and one they hated, and name a quality that made that boss so good or so bad. The good boss in composite invariably showed qualities of emotional intelligence like empathy, being supportive, and being approachable. The bad boss was just the opposite.

The negative impact of a toxic boss operates everywhere. A study of hundreds of professional basketball players and their coaches in the National Basketball Association/NBA looked at coach style and player performance. Having an abusive coach upped players' fouls and lowered their scoring.

Since we pay great attention to what our boss does and says, that person has a great impact on how we *feel*. Research at the Yale University School of Management found that emotions are contagious in work groups, particularly from leaders to those they lead.

Many studies have confirmed what each of us knows in our heart: a rude, thoughtless, uncivil interaction with our boss has disastrous ripples in our emotional field. Bad bosses lower our commitment, satisfaction, and performance. Indeed, people who have run-ins with their boss are more likely to leave a company.

By the same token, a nourishing boss—one who treats us with civility and respect—increases our satisfaction with our work, our commitment to the organization, and boosts our performance.

Our brain's wiring means we remember more strongly the things that go wrong in our life than the events that make us feel good—perhaps because of the evolutionary premium for survival in thinking over how to handle those emergencies or setbacks next time they come our way. As a result, employees remember more strongly the times a boss yelled at them than the moments when the boss is more mellow. This may be a reason that a “command-and-control” leadership style, where a boss thinks nothing of shouting, barking orders or insulting an employee, has a strong negative impact on the emotional climate.

What all this means is that managers need to be artful when providing criticism, because it will be much more strongly felt and remembered than praise. When leaders give feedback, they often don't realize that what they think is a mild reprimand may be perceived by an employee as a shout.

Neuroscience research at Case Western University finds that when someone is criticized and dismissed as incompetent, their brain goes into a defensive mode, closing down creativity or any action that might be risky. But if they get feedback that emphasizes what they are doing well, their brain goes into a different, more productive and open mode.

This suggests that a leader might do well to be reassuring—mention what an employee is doing right, or even excels at—along with giving corrective feedback. An EI leader will couch what's wrong in a way that the employee understands it's the behavior, not the person, that's the reason for the negative feedback. Even better: telling the employee what would be a more positive, alternative action in the same situation—a message that the problem is fixable.

How Outstanding Leaders Use Their Emotional Intelligence

Given that emotionally intelligent leaders are more effective, more specifically how do those leaders use EI when dealing with critical challenges and opportunities? When we asked a group of such leaders to tell us how they did so, we found that the leaders often deployed their emotional intelligence competencies in similar ways.

The most frequent tactic was to *use empathy*—simply putting themselves into other's shoes, so they could see the problem from the other person's perspective.

Research by Jean Decety at the University of Chicago identifies three kinds of empathy, each based in different brain circuitry. *Cognitive* empathy means you understand how the other person thinks—you see the situation from their perspective. *Emotional* empathy lets you sense how they feel. And *empathic concern* has you want what is best for the person—as a leader this means you show your support (but stay within the guard rails of your organization).

Take, for example, when the director of a nursery school had to have a difficult discussion with the parents of a child with a problem. To better understand how difficult it was for them to hear the school's view of their daughter, she brought to mind times as a mom a preschool teacher had called her about her own daughter's problems, and how she felt. This let her feel more empathy for the parents she had to talk with. To prepare for the conference, she spent time getting her own emotions under control so she could be more open to the parents' feelings and apply that emotional empathy in dealing with them. And she emphasized that the conference was the school's way of showing concern for their child and wanting to help her—not that the child was “in trouble.”

A second tactic: *think differently* about a challenging situation. Tactics for changing the way a leader thinks about the problems presented to him or her can help to regain emotional balance. This means being able to think more clearly and act more calmly.

For instance, the Chief Operating Officer/COO of a large steel company told us that whenever he began to feel overwhelmed by all the problems that others were “dumping” on him, he reminded himself that this was what he was there for—dealing with the really difficult problems.

Other Ways to Deal with Difficult Problems

Don't blame. Catch yourself when you are tempted to play the “blame game,” scapegoating one person when a more balanced view might show you a more complex causality. It's often too simple to think a problem is

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due to one person “screwing up,” and to dismiss that person as incompetent or negligent. The facts are typically more complicated—the person’s acts might be a symptom of some underlying difficulty in the overall situation. That leads to the next principle:

Adopt an inquiring mindset. Don’t assume you have all the relevant data. Ask questions, particularly about how the other person sees the situation. There may be key points that you don’t understand at the outset.

Keep your cool; don’t react just from feeling upset, whether it’s your rage or panic. Resilience means you recover more quickly from anger or anxiety. And getting calm lets you think more clearly.

These last two principles were at work when a manager at a food processing plant got very angry when she learned an employee had filed a complaint with the U.S. Occupational Safety and Health Administration/OSHA. Her first impulse was to fire that employee—but she remembered that acting rashly could be a mistake. She opted instead for curiosity.

That employee, records showed, had been a loyal contributor. So, why the complaint all of a sudden?

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The manager sat down with that employee to get a fuller picture. As they talked the employee, who started out angry, became more calm, and finally confided that her anger was because her husband had cancer and she was frustrated by the health care system’s Kafkaesque bureaucracy. Learning this, the manager became more caring and sympathetic, and found a way to help that employee care for her husband at home. And the employee withdrew that OSHA complaint.

Forgive yourself: Making mistakes often can be particularly difficult for leaders as well as others. A common tactic that one leader used was to say to himself, “OK. Don’t beat yourself up. You’re not going to get everything right.” As another leader put it, “In this job, making decisions is like a batting average in baseball.” The best batters often fail to get a hit when they go up to the plate, and like the top batters, leaders do not need to get every decision or action right in order to be highly effective.

Emotionally Intelligent Leadership and Employees’ Great Days at Work

A leader’s emotional intelligence can have a huge impact on the well-being and performance of employees, lifting them into their optimal zone. Research by a group at Harvard Business School, analyzing close to 1,200 journal accounts of their workday made by several hundred women and men revealed key indicators of that optimal mode. They include being:

- Highly productive and engaged
- Satisfied with work and committed to the job
- Creative, making small daily wins toward a larger goal
- Feeling good and having a positive outlook
- Giving and getting support from those you work with

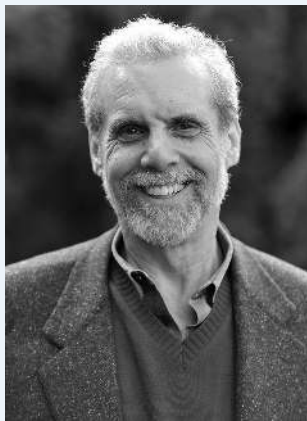
Seen through the lens of standard measures that many companies use to gauge how their employees are faring, these are all positive indicators. For instance, such a day means a person is more engaged—and research has found employee engagement translates to greater profit and growth for their companies. Satisfied employees are less likely to leave, meaning lower rates of turnover.

And being well-connected with co-workers can lead to becoming a good “organizational citizen,” where employees go beyond their job description to help out the people they work with.

That optimal day benefits both employees and their leaders, whose success depends on getting the best performance out of those in the workforce.

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