

A leadership imperative: Building the emotionally intelligent organization

Emotional intelligence is a valuable resource that can renew and re-ignite organizational purpose and inspire people to perform better. As clients will attest, the emotionally intelligent organization is in tune with its needs.

By Richard E. Boyatzis and Ellen Van Oosten

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Frank Sims was standing on Roadway Express's shipping dock, watching one of the company's trucks drive away with goods for Specialty Glassware (a pseudonym), one of Roadway's large customers. Frank was worried. The damage problems had been mounting and he was worried about how this might be affecting Roadway's customers. As he walked to his office, Frank began to recall a workshop on emotional intelligence (EI) he had attended recently. Simply recalling the workshop immediately put Frank in a better state of mind: Instead of worrying about the damage and an angry customer, he started to ask himself how he could use what he learned in the workshop to do something constructive and important. As he watched another truck being loaded, an idea began to take shape. What, he wondered, if Roadway's dockworkers and drivers understood how important loading the trucks was for their company? Immediately, he started thinking about how he could engage people in solving the customer's problems.

That afternoon, Frank called Specialty Glassware's senior transportation manager, to get his help in videotaping glassmaking operations and interviewing labourers and salespeople about their business processes. Then he called Roadway's dock crew to a special meeting at the Roadway terminal, where several top executives from Specialty Glassware described their company's vision, business and strategy, their customers, manufacturing processes and value chain. Frank played the videotape and the crew got to ask questions. At the end, each dockworker was presented with a commemorative mug made by Specialty Glassware.

The dock crew was surprised that the customer's top management would put so much effort into helping them understand the glassware business. They felt good knowing how their efforts fit into the big picture, how important the glassware products were and how well Specialty Glassware served its own customers' needs. It made them want to be more careful and find ways to help Specialty Glassware succeed. Later on, workers would describe these meetings to new hires as an example of why Roadway was a great place to work.

Leaders like Frank Sims are among the many who can raise the human spirit and make their organizations better. They do so by using their emotional intelligence to create an atmosphere in which people want to do and be their best. In this article, we describe how emotionally intelligent leaders ignite organizations and people to perform better. The article also provides the not insignificant hope that, though EI-based leadership may be rare, it can be developed.

Breakthrough leadership

Frank Sims's experiment with new ways to lead is typical of the many innovations at Roadway Express

Inc. during the past three years. A trucking company founded in 1930, Roadway has more than 26,000 employees and 379 terminals throughout the U.S. and Canada. To succeed in the highly competitive trucking industry, company executives recognized that they needed an enduring strategy to energize their employees and outpace competition in the long run. In 1999, it partnered with the Weatherhead School of Management to begin a transformation marked by the launch of a customized leadership development program. Over the next three years, this program produced direct and measurable results, including a company-wide safety initiative that:

- Has saved Roadway \$6 million
- Decreased the number of injuries by 43 per cent annually; and
- Decreased the number of accidents by 41 per cent annually.

Jim Staley, Roadway's president, says, "We're convinced we're developing leaders at every level of the organization. That's what we're doing with EI. We want to not just develop leaders in the senior management team, but at every level. ... The resonance anybody can create as a leader can improve performance for the individual and the organization."

Roadway had a traditional culture, with a management structure that was hierarchical and command-and-control. The company's financial performance was average. Seeing that Roadway needed breakthroughs in performance, leadership and management, top executives crafted a vision in which "everyone would be fully engaged in the success of the company and committed to the success of each other." The leadership program became the tool for attuning key leaders to the vision and enhancing their capabilities to achieve it. The overall objective was to help managers develop new knowledge, competencies and motivation to pursue the vision and succeed together. Specific goals included:

- Increasing leaders' self-awareness and emotional intelligence;
- Positioning leaders to develop leaders at every level;
- Developing the capabilities of the leadership team

to achieve breakthrough performance; and

- Broadening the participants' understanding of issues that are crucial for long-term economic performance.

A nine-day program, designed and delivered over six months to key company leaders, including the president, focused on emotional intelligence, strategy, system thinking, marketing, finance and appreciative inquiry - process for leading change.

Creating better leaders: Stimulating more Emotional Intelligence

Emotional intelligence is defined as a set of competencies (see Table 1) that derive from a neural circuitry emanating in the limbic system. Thousands of studies have shown that effective leaders consistently possess more emotional intelligence competencies such as self-awareness and self-management. Frank Sims used his awareness of his own worried feelings and his willingness to be flexible in order to stimulate a different way of thinking about Roadway's problems. He was also socially aware, something that led him to believe that Roadway's dockworkers probably didn't understand their customer's challenges and concerns.

Along with Case Western, Roadway developed a program called Breakthrough Leadership, which focuses on helping managers identify areas for behavioural change, and then gives them opportunities to practice new habits in real time. Breakthrough Leadership guides each participant through a process of discovery called Self-Directed Learning, shown in Figure 1. (Boyatzis, R.E., Cowen, S.S., & Kolb, D.A., *Innovations in professional education: Steps on a journey from teaching to learning*. San Francisco: Jossey-Bass, 1995; Goleman, D., Boyatzis, R.E., and McKee, A., *Primal Leadership: Realizing the Power of Emotional Intelligence*, Boston, Harvard Business School Press, 2002). Because of the discontinuous nature of sustained change, the process is experienced as five discoveries. The first discovery is the Ideal Self—what each of us wants out of life and work, and the nature of our dreams and aspirations. As each person discovers or rediscovers their passion at work, their renewed energy becomes the driving motivation for changing their leadership behaviour. After a number of exercises, each person develops a Personal Vision statement describing their

Table 1

Emotional Intelligence Competencies Related to Outstanding Leadership

(Goleman, Boyatzis and McKee, 2002)

Personal Competence

The Self-awareness Cluster:

Emotional self-awareness: recognizing our emotions and their effects
 Accurate self-assessment: knowing one's strengths and limits
 Self-confidence: a strong sense of one's self worth and capabilities

The Self-management Cluster:

Adaptability: flexibility in dealing with changing situations or obstacles
 Emotional Self-control: inhibiting emotions in service of group or organizational norms
 Initiative: proactive, bias toward action
 Achievement orientation: striving to do better
 Trustworthiness: integrity or consistency with one's values, emotions, and behavior
 Optimism: a positive view of the life and the future

Social Competence

Social Awareness Cluster:

Empathy: understanding others and taking active interest in their concern
 Service orientation: recognizing and meeting customer's needs
 Organizational awareness: perceives political relationships within the organization

Relationship Management Cluster:

Inspirational Leadership: inspiring and guiding groups and people
 Developing Others: helping others improve performance
 Change catalyst: initiating or managing change
 Conflict management: resolving disagreements
 Influence: getting others to agree with you
 Teamwork and Collaboration: Building relationships with a creating a shared vision and synergy

Ideal Self.

Each participant then works toward the second discovery—awareness of his or her Real Self. After receiving feedback from a 360 assessment of emotional intelligence competencies, participants analyze the results with personal coaches. This view of their Real Self allows them to develop a Personal Balance Sheet

of their distinctive strengths, their individual gaps (or weaknesses) that are close to the tipping point of effectiveness, and those that are further from the tipping point.

Coaches help each person convert their Personal Vision and Balance Sheet into a Learning Plan for their development as a leader—the third discovery in the

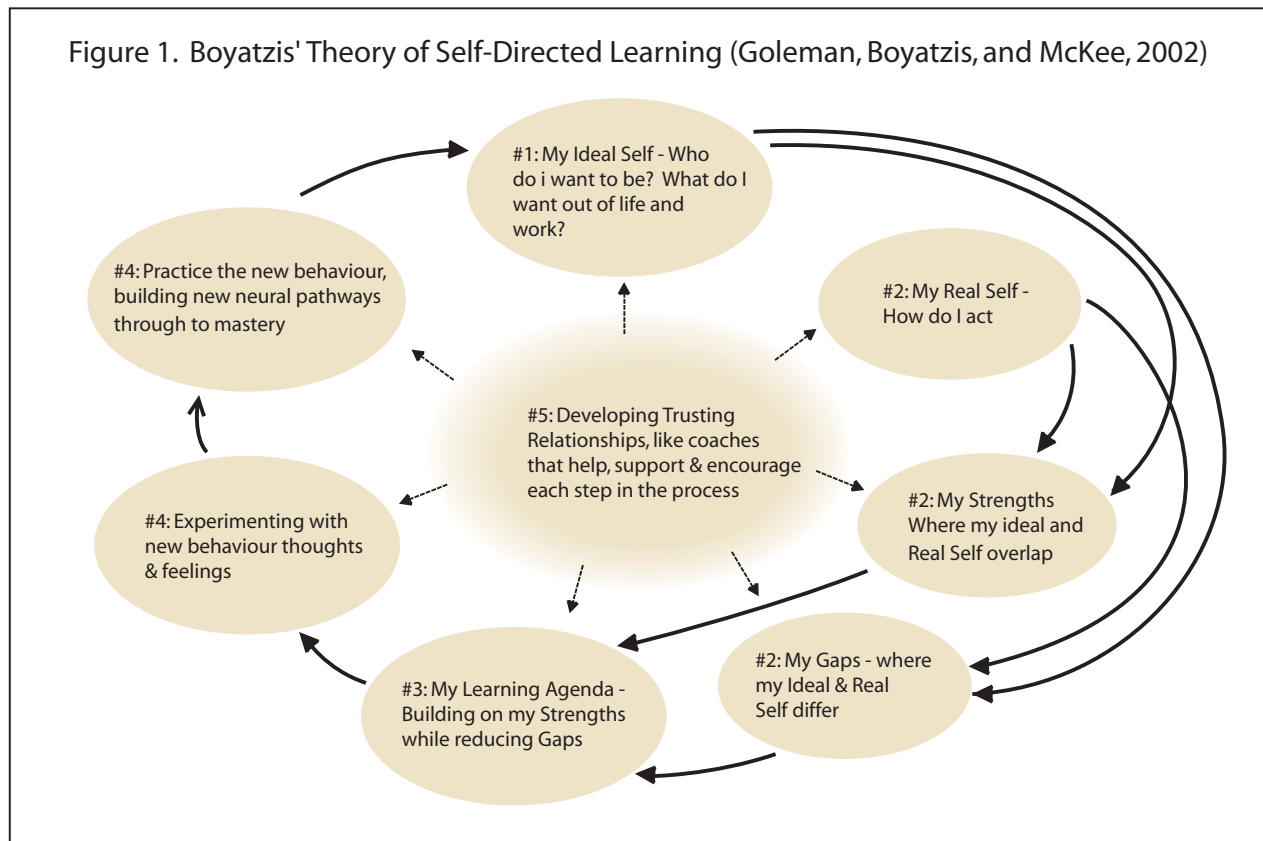
process. The plan motivates each person to convert their life and work activities into a kind of learning laboratory in which they are provoked to think about using their day-to-day and week-to-week experiences as the basis for learning. Instead of an imposed one-planning-method-suits-all, each person is encouraged to choose his or her own preferred learning style and lifestyle. As illustrated by Frank's experience, experimentation and practice—the fourth discovery—occur on the job.

keep track of, and reward, their own progress.

Creating an exciting culture

The ultimate goal of Roadway's Breakthrough Leadership initiative was to transform the culture so that everyone understood not only the big picture (how Roadway would be successful), but also their personal responsibility in the big picture (how their actions

Figure 1. Boyatzis' Theory of Self-Directed Learning (Goleman, Boyatzis, and McKee, 2002)



The fifth discovery—the development of trusting relationships that encourage the person at each step—continues throughout the process. Coaches are especially crucial to change during the fifth discovery, since they help people reflect on and develop their dreams and aspirations, look at how they project to others, identify strengths and weaknesses, and overcome blind spots in their leadership style. They help each person to “reality-test” their learning plan, including ways of working on goals during typical work and life experiences, and anticipating and overcoming likely obstacles. During experimentation and practice, coaches also help people

affected the customers and the financial results). Ultimately, each employee would have to be able to link his/her actions to the financial results of the organization. To help change the Roadway culture, the company and Weatherhead modified the Breakthrough Leadership Program by creating and introducing a self-directed process of change called Engagement Through Education in the Fundamentals of Business. Using a process called Appreciative Inquiry to convene large-group meetings, or Summits, people were brought together to discover and share their organizational “Ideal.”—the times when they were at their best and proud to be a part of Roadway, when they served their

customers, and when they helped the financial performance of the company. (Srivastva, S., Cooperrider, D. L. (Eds.), *Appreciative management and leadership: The power of positive thought and action in organizations*; Jossey-Bass Inc., 1990). They also examined how the company was doing along numerous dimensions; in other words, they looked at the “Real” organization.

Each Summit dealt with a major business topic, such as “delivering unsurpassed speed and leveraging employee pride and involvement,” or “developing a team-sell approach.” Groups of 200-300 people who had a stake in this topic attended each Summit to explore the organization’s strengths and gaps related to the shared Ideal.

At the end of the Summit, the participants broke into action learning teams that continued to meet regularly over several months to develop a company Learning Agenda based on the overall theme. Participants practiced new leadership behaviour using emotional intelligence; in other words, they solved real problems while they developed a new culture for the organization. At the same time, they formed the trusting relationships that became the basis for a new Roadway culture.

In one real-life, profitable example of change, a mechanic and a driver discovered how to save Roadway \$130,000 per year on one route. Applied to 379 terminals and many routes, this discovery had the potential to deliver dramatic savings.

In another example, a mechanic, a driver and the terminal manager discussed the problem of overweight shipments that caused delays in getting drivers on the road. They ultimately realized that the new trucks’ larger fuel tank was the source of the extra weight. By filling the tanks only three-quarters full, they could use the remaining weight for freight.

Roadway feels like a new company in an old business. Its people are excited about being leaders, and have expanded the ways in which they can make a personal impact. Inspiration and energy have become contagious. A new culture has emerged, one in which people are motivated and innovative. The new Roadway is surpassing many of its competitors in revenue and net profit growth through savvy acquisitions and cost

savings during a period that has not been kind to the industry. Roadway’s experience is a powerful example of how emotional intelligence can ignite excitement and inspire better performances from everyone in your organization. ■

