An EI-Based Theory of Performance

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CHAPTER THREE
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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 El 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 discomforting 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 pacesetting—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**	**Pacesetting**	**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 pacesetting 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 pacesetting 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 pacesetting 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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