

# The power of EI: The “soft” skills the sharpest leaders use

Comparisons across data from Korn Ferry Hay Group leadership and employee surveys



# What’s emotional intelligence got to do with leadership?

Organizations worldwide are increasingly recognizing the so-called “soft” skills that people in the workforce can draw upon to motivate others, push through changes, and deliver superior performance in themselves and their colleagues. We collectively call these skills *emotional intelligence*, or EI. Importantly, a growing body of evidence shows the positive impact that leaders with high EI can have in the workplace.

This paper demonstrates how EI, like IQ, is measurable, and highlights which particular aspects of EI individuals can develop to make them more effective leaders. It draws from both outside sources and data gathered using the proprietary measurement of EI, called the Emotional and Social Competency Inventory, or ESCI (Boyatzis, 2007). Created by Richard Boyatzis and Daniel Goleman in conjunction with Korn Ferry Hay Group, ESCI is a 360-degree survey that assesses an individual’s EI competencies. Now in its tenth year, the ESCI has been used by 80,000 people across 2,200 organizations worldwide.

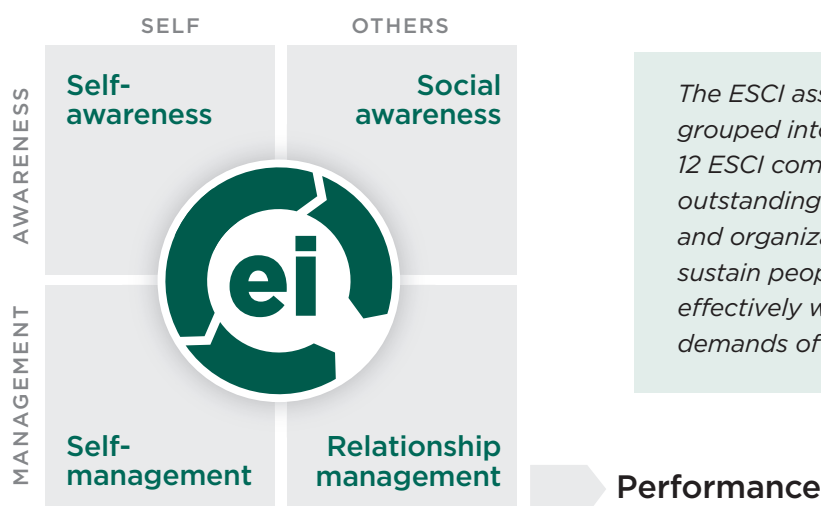
## Key points

- Twelve emotional and social intelligence competencies have been shown to distinguish outstanding performance in a wide variety of jobs and organizations.
- Developing more ESCI competencies gives leaders more flexibility, and honing specific competencies can optimize a leader’s individual style.
- Outside studies confirm that people with high degrees of emotional intelligence can positively impact an organization’s profitability, performance, and ability to attract and retain talent.

*The rules for work are changing. We’re being judged by a new yardstick: not just by how smart we are, or by our training and expertise, but also by how well we handle ourselves and each other.*

Daniel Goleman  
*Working with Emotional Intelligence*, 1998

# The components of emotional intelligence



*The ESCI assesses EI by measuring 12 competencies, grouped into four interrelated areas of behavior. These 12 ESCI competencies have been shown to distinguish outstanding performance in a wide variety of jobs and organizations. They describe the behaviors that sustain people in challenging roles, help people deal effectively with change, and negotiate the increasing demands of their career.*

**Self-awareness** lies at the heart of emotional and social intelligence. It describes the ability to recognize and understand our emotions, drives, strengths, and weaknesses. It enables us to sustain our positive efforts over time, despite setbacks. It is captured in the competency:

- **Emotional self-awareness:** The ability to understand our own emotions and their effects on our performance.

**Self-management** describes managing our emotions and behavior with focus and restraint. It includes four competencies:

- **Emotional self-control:** The ability to keep disruptive emotions and impulses in check and maintain our effectiveness under stressful or hostile conditions.
- **Achievement orientation:** Striving to meet or exceed a standard of excellence; looking for ways to do things better, set challenging goals and take calculated risks.
- **Positive outlook:** The ability to see the positive in people, situations and events and our persistence in pursuing goals despite obstacles and setbacks.
- **Adaptability:** Flexibility in handling change, juggling multiple demands and adapting our ideas or approaches.

**Social awareness** equips us to tune in to others: individuals and groups. It helps us recognize and understand the emotions of others. It includes:

- **Empathy:** The ability to sense others' feelings and perspectives, taking an active interest in their concerns and picking up cues to what is being felt and thought.
- **Organizational awareness:** The ability to read a group's emotional currents and power relationships, identifying influencers, networks and dynamics.

**Relationship management** is where emotional and social intelligence, or the lack of it, becomes most visible to others. Relationship management competencies impact on the motivation and performance of others, but they depend upon strengths in the Social awareness and Self-management competencies. Relationship management helps us apply emotional understanding in our dealings with others through:

- **Influence:** The ability to have a positive impact on others, persuading or convincing in order to gain their support.
- **Coach and mentor:** The ability to foster the long-term learning or development of others by giving feedback and support.
- **Conflict management:** The ability to help others through emotional or tense situations, tactfully bringing disagreements into the open and finding solutions all can endorse.
- **Inspirational leadership:** The ability to inspire and guide individuals and groups to get the job done, and to bring out the best in others.
- **Teamwork:** The ability to work with others toward a shared goal; participating actively, sharing responsibility and rewards, and contributing to the capability of the team.

# The impact of emotional intelligence on leadership

A leader creates the environment within which team members work, and the right climate drives performance. In our research, we’ve found that leaders have the biggest impact on team performance when they create a climate in which:

- People know what’s expected of them and how they contribute to overall goals.
- Challenging but attainable goals are set.
- New ideas are acted upon without hindrance from unnecessary rules and procedures.
- People are empowered to get on with their job and are held accountable for it.
- Good performance is recognized, and people know how to improve.
- People are proud to belong to the team and work together toward a common purpose.

How do they do it? In our research, we’ve found that leaders have the biggest impact on climate by effectively and flexibly using six leadership styles:

- **Visionary:** Providing long-term direction and context.
- **Participative:** Building commitment and generating new ideas.
- **Coaching:** Supporting long-term development.
- **Affiliative:** Creating trust and harmony.
- **Pacesetting:** Accomplishing tasks to high standards.
- **Directive:** Gaining immediate compliance.

Effective leaders have multiple styles in their toolkit, equipping them to respond flexibly to changing demands. The Visionary, Participative, and Coaching styles are best for working toward long-term goals: they create the conditions for the employee engagement, involvement, and development required to deliver results over time.

The Directive and Pacesetting styles are best reserved for short-term fixes: addressing a drop in standards or the job that just isn’t being done. Overuse of these styles typically has a negative impact on team climate. The Affiliative style works across most situations: the solid basis for long-term working relationships and the rescue remedy in a short-term crisis.

Diving into the Korn Ferry Hay Group ESCI database confirmed that many of the emotional and social competencies correlate positively and significantly with the long-term leadership styles and with the working climates that drive team performance. More specifically, we discovered five major findings that help leaders hone specific EI competencies to optimize their impact.



# 1. Developing more EI competencies gives you more choice in your leadership style.

Dominant leadership styles, those that a leader demonstrates most frequently, make a difference to a team’s climate. The more dominant the long-term styles in a leader’s toolkit, the greater their capacity to support their team’s performance. We found that the number and type of styles accessible to a leader typically increases with their ESCI strengths—the competencies they demonstrate often or consistently:

- With two or fewer ESCI strengths, leaders tend to draw upon only one or two leadership styles. And the data reveal that these are most likely to be the short-term styles that can result in negative climates: Directive and Pacesetting.
- With three to nine ESCI strengths, leaders tend to show signs of holding back on the short-term styles and using the long-term Visionary, Participative, Coaching, and Affiliative styles more often.
- With ten or more ESCI strengths, leaders typically use the long-term styles frequently and the short-term styles only when required.

The range of leadership styles accessible to a leader typically increases with their ESCI strengths.



## 2. Developing specific emotional and social competencies can optimize your leadership style.

Links between specific competencies and the long-term leadership styles stood out from the data:

- Leaders with high scores in **Conflict management** are likely to be strong in their use of the Coaching, Visionary, Affiliative, and Participative styles. And it helps them hold back on their use of the Pacesetting style. The data suggests that Conflict management may be an emerging key indicator for effective leadership, and one which strengthens with age and experience (Korn Ferry Hay Group, 2017).
- **Inspirational leadership** comes in at second place and **Empathy** in third, showing the same relationships with these long-term leadership styles.
- Use of the Directive style is typically restrained by leaders who are strong in **Empathy, Teamwork**, and most significantly, **Emotional self-control**.
- **Positive outlook** helps high-achieving leaders delegate effectively by moderating their use of the Pacesetting style.
- **Emotional self-awareness**, deep-seated and difficult to observe, earns its place at the heart of EI. Leaders with high scores tend to be strong in the Visionary, Coaching, Participative, and Affiliative styles. They are also likely to demonstrate ten other ESCI competencies at strength, maximizing their ability to choose from the full range of leadership styles to suit their context, team members, and challenges.

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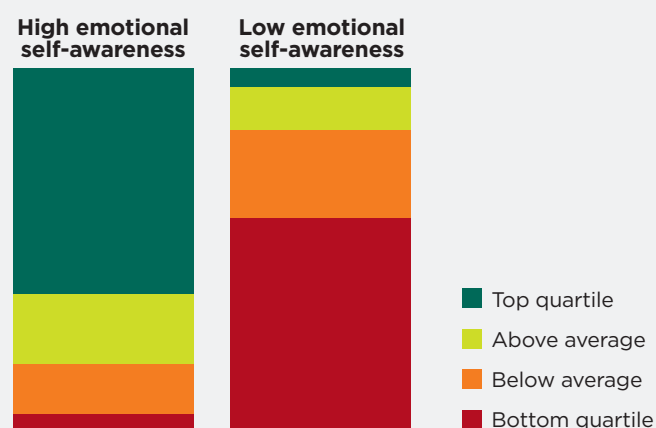
### 3. A leader’s emotional intelligence supports team climate and performance.

Korn Ferry Hay Group measures a leader’s ability to create a positive climate by asking team members to rate the climate they currently experience and their ideal climate—what they need to help them perform at their best. The results are then benchmarked against other leaders and reported as a Climate Index score. The higher the Climate Index score, the more effective a leader is at creating an environment where team members can thrive and give their best.

Unsurprisingly, we found that the emotional and social competencies that strengthen the long-term leadership styles also correlate positively with Climate Index:

- Leaders with high scores in **Conflict management** are likely to create the most positive climates for their team members.
- **Inspirational leadership** comes second, and **Empathy**, key to understanding employees’ needs, issues, and motivations, a close third.
- Again, **Emotional self-awareness** stood out as a differentiator. We discovered that only 5% of leaders with low Emotional self-awareness created top quartile climates for their teams, compared with 62% of leaders with high Emotional self-awareness. If an employee’s manager has low Emotional self-awareness, the employee’s chance of being in a team that does little to support their performance is high.

Proportion of leaders, by Climate Index, with:



For employees showing leadership potential or transitioning from individual contributor roles to leadership, and who may not yet have access to leadership assessments, these findings support the developmental use of the ESCI. Receiving feedback on your emotional and social intelligence competencies, and working on those most important to your situation, is a great starting point for becoming an effective leader.

## 4. Team members’ experience of their leaders’ EI matters most.

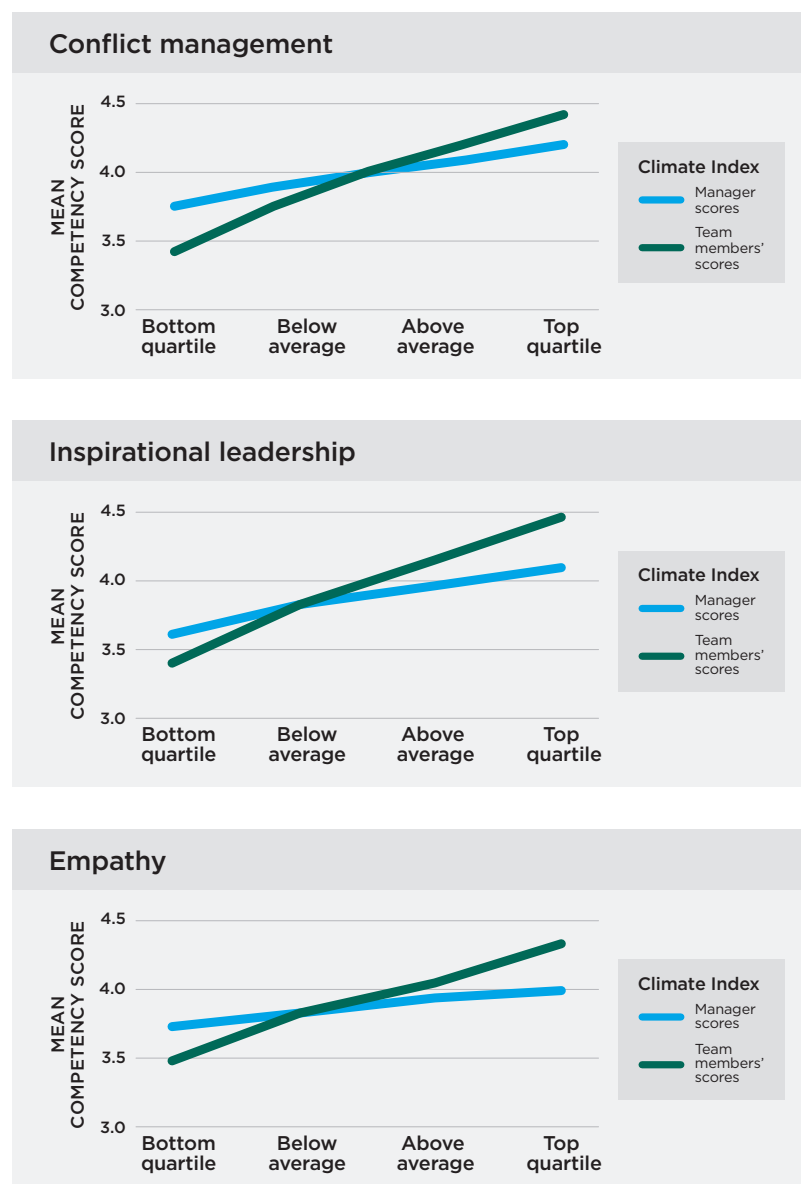
ESCI feedback allows an individual to compare the average scores of the different groups they work with: their manager, their team members, their peers, and others. Managers typically provide the lowest ratings; their perception of emotional and social intelligence often appears the most discerning.

However, when we looked across ESCI and climate data, clear and compelling patterns emerged. First, the biggest gaps between manager and team members’ scores appeared in the three competencies linked to positive team climates: **Conflict management**, **Inspirational leadership**, and **Empathy**.

Second, team members who experienced a positive climate scored their leader’s ESCI competencies more positively than their leader’s boss did. Those who experienced a negative climate scored their leader’s competencies more negatively than their leader’s boss did.

This finding is an important reminder that team members’ experiences of leadership matter most. When it comes to assessing a leader’s behavior, their team members’ bottom-up observations are likely to be more discerning than their manager’s top-down perspective.

### Climate Index for the competencies with the largest gaps between manager and team member scores





## 5. Developing emotional and social competencies can keep your team members engaged.

Within the database, we found 867 employees who had completed the ESCI for their leaders and the Korn Ferry Employee Effectiveness Survey, an organization-wide assessment which gives organizations insights into their particular barriers to performance (Korn Ferry Hay Group, 2009). This data helped us understand the impact that a leader has on their team members, compared with how their team members feel about working for the organization.

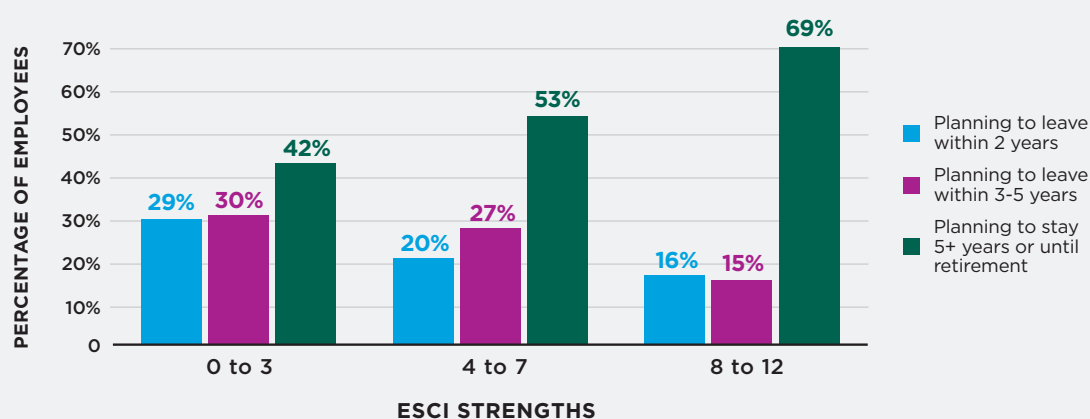
The employee effectiveness indicator that leaders have measurable influence over is retention. Across this sample of employees, 22% reported the intention to leave within two years. However, their plans varied considerably according to their perception of their leaders' ESCI strengths:

- For leaders demonstrating three or fewer competencies consistently, only 42% of team members planned to remain for at least five years.

- Those with four to seven ESCI strengths were likely to retain 53% of their team members for at least five years.
- Those with eight or more ESCI strengths could hope to retain 69% of their team members for at least five years.

We compared the data from team members intending to stay for at least five years with those planning to leave within two years, looking for the differences in their leaders' emotional and social intelligence. These two groups scored their leaders most differently on seven competencies, in order: **Coach and mentor, Conflict management, Inspirational leadership, Organizational awareness, Achievement orientation, Teamwork, and Empathy**. It makes sense that employees see their leaders using these more observable competencies to tackle the frustrations that can undermine engagement.

Leaders' ESCI strengths compared with employees' tenure plans



# Great leaders can be made

Exploring the relationships between emotional and social competencies, leadership styles, organizational climate, and employee effectiveness, across a large database, confirms that ESCI competencies can boost leadership effectiveness, team performance, and employee engagement.

Great leaders draw on their EI as they anticipate and respond to the challenges of their situation. However, from the specific patterns emerging across our database, we’ve learned that:

- **Conflict management** is emerging as an important indicator of leadership effectiveness.
- **Empathy** ranks with **Inspirational leadership** in its contribution to leadership approach and impact.
- **Emotional self-control, Empathy, and Teamwork** helps leaders restrain their use of the Directive style.
- **Positive outlook** helps high-achieving leaders to delegate effectively by moderating their use of the Pacesetting style.
- Higher levels of EI in leaders relate to increased levels of employee engagement and enablement.
- Demonstrating six or more ESCI competencies consistently can equip a leader to make frequent use of the long-term leadership styles, create a positive team climate, and encourage a majority of team members to stay five years or longer.

ESCI competencies represent behaviors that can be learned, developed, and honed, and 360-degree feedback is the critical starting point for the process. For potential managers, transitioning, or new managers, the chance to understand how others perceive their behavior supports the all-important self-image shift from contributor to leader. For more senior leaders, who often find it hard to seek, receive, or hear others’ honest and open views, an ESCI feedback report can offer anonymous, compelling insights.

The ability to compare the perspectives of your boss, your peers, and your direct reports, and spot the differences between their views and your own intentions, sharpens Emotional self-awareness. The development of this competency alone can build strength in all ESCI competencies and in the long-term leadership styles that have the most positive impact on team climate. 360-degree assessment of emotional and social intelligence competencies offers a sound indicator of employees’ leadership potential. It provides confident insight into leaders’ capabilities and impact. Investing in the development of leaders’ emotional and social intelligence increases their effectiveness in multiple ways.

# How EI helped leaders drive real-world performance

There is a growing number of independent validity studies which report the relationships between competencies and a range of workplace outcomes, including hard measures of performance. Though specific to their contexts, three studies offer examples of how EI competencies can predict performance:

## **Business unit managers and profitability**

Tasked with building and validating a 360-degree competency-based questionnaire for use in succession planning and management development, Ryan, Spencer, and Bernhard (2012) explored the specific competencies that best predicted business unit profit growth in a European-based electronic controls firm. Their results showed that:

- 1 Eight competencies predicted profit growth: Achievement orientation, Impact and influence, Developing others, Teamwork and cooperation, Analytical thinking, Concern for quality and order, Conceptual thinking, and Information seeking. The first four are EI competencies.
- 2 Five EI competencies and three others differentiated the best from the average managers: Achievement orientation, Impact and influence, Developing others, Initiative, Interpersonal understanding, Teamwork and cooperation, Concern for quality and order, and Conceptual thinking.
- 3 Four EI competencies explained 17% of the variance in profit growth: Team leadership, Developing others, Achievement orientation, and Impact and influence made the greatest contribution to performance outcomes.

## **Financial services sales leaders and recruitment**

This study (Boyatzis, Good, and Massa, 2012) investigated how emotional and social intelligence competencies, cognitive intelligence, and personality affected the performance of 60 financial services sales leaders. The purpose was to assess what predictive value EI has in terms of impact on performance, beyond that provided by personality factors and intelligence. Since one of the key factors affecting the organization’s financial results was the ability of its sales leaders to recruit and train new sales staff, the number of new financial advisors joining their team over a one-year period was used as the objective outcome measure for participant performance. The study’s overall findings were:

- 1 Emotional and social intelligence competencies predicted performance. ESCI total others scores, combined across the 12 competencies, were significantly positively related to the number of new recruits.
- 2 Conscientiousness, as measured by the NEO Personality Inventory-Revised, predicted performance. This was the only one of the Big Five traits that related to the number of new recruits.
- 3 Cognitive intelligence, as measured by Raven’s Advanced Progressive Matrices and the Mill Hill Vocabulary (MHV) Scale, did not predict performance. Nor did it correlate with any other variable in the study, including ESCI scores.
- 4 When the emotional and social intelligence competencies within the ESCI were examined independently, Adaptability and Influence emerged as significant predictors of performance.

## Principals of urban schools

This study (Williams, 2008) focused on a group of twenty principals from a large Midwestern United States urban school district. Twelve outstanding and eight typical school principals, based on nominations from peers, supervisors, and teachers, were studied. Behavioral event interviews (Spencer & Spencer, 1993) were then used to gather demonstrated behaviors, coded against 20 emotional and social intelligence competencies.

An analysis of the frequency and complexity of the competencies used by these school principals showed significant differences between the two groups:

- 1** Outstanding school principals use more EI competencies. At least 50% of the outstanding group demonstrated 18 competencies at least once. In contrast, the same proportion of the typical group demonstrated only 10 competencies at least once.
- 2** Outstanding school principals use EI competencies more often. At least 25% of the outstanding group demonstrated 8 competencies three times. None of the typical group demonstrated any competencies three times.
- 3** Twelve of the 20 competencies distinguish outstanding performance. The two groups differed significantly in their use of Self-confidence, Self-control, Conscientiousness, Achievement orientation, Initiative, Organizational awareness, Developing others, Leadership, Influence, Change catalyst, Conflict management, and Teamwork and collaboration.
- 4** Six competencies stand out as the most critical differentiators. 80% to 100% of the outstanding principals demonstrated Self-confidence, Achievement orientation, Initiative, Organizational awareness, Leadership, and Teamwork and collaboration in at least two of their three events, compared with only 25% of the typical group.

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Paula provided technical leadership during Korn Ferry Hay Group’s 2016 review of the Emotional and Social Competency Inventory (ESCI). She conducted the statistical analysis of the ESCI psychometric-based properties, updated the norms, explored the relationships to other Korn Ferry Hay Group assessments, and reviewed the findings of a number of external studies reporting on EI competencies and leadership performance.



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