

# Competency & Emotional Intelligence Quarterly

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# *Emotional maps of effective (and ineffective) leaders*

In this article, Geetu Bharwaney and Catharine Paddock provide a route map for leaders wishing to be both transactional and transformational. They argue that both styles have a place among today's effective leadership roles.

**L**eadership, like beauty, is one of those concepts that we use freely everyday, and yet cannot agree its meaning. There are numerous leadership models; for example, Arthur G Jago (Vroom and Jago, 1988) classifies leadership theories according to whether they focus on traits or behaviours, and whether they are universal (“one best way”) or situational in approach.

In this article, we explore one of the most well-known models: Burns's transactional/transformational leadership model, and relate it to Reuven Bar-On's research into emotional intelligence (EI). In particular, we use his Bar-On Emotional Quotient Inventory (EQ-i)

– an internationally validated method of assessing individuals' levels of EI – to create an emotional map of these two types of leadership.

In a later section, we will review a number of leadership studies on EI and comment on what they say about leadership styles in a variety of settings.

## **Transactional versus transformational leadership**

James McGregor Burns (1978) developed the transactional/transformational model of leadership when he sought to define the

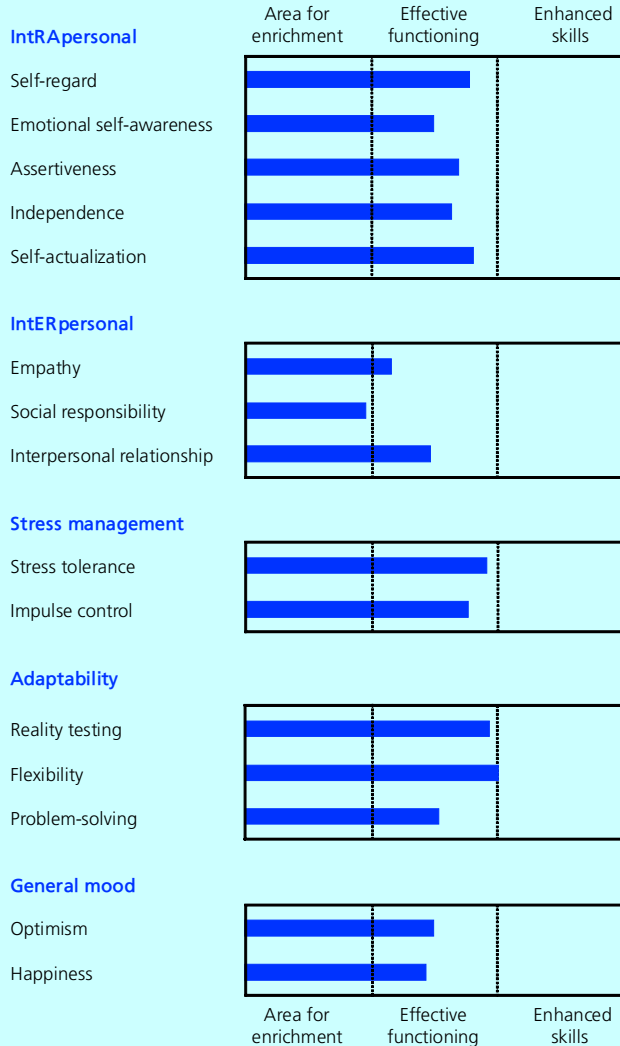
behaviours used by leaders to influence their followers. In this sense, the transactional/transformational model is a behavioural model – it describes the way in which leaders act and, in particular, the skills that distinguish more effective from less effective individuals in these roles.

**Transactional**

The transactional leader engages followers in a transactional act, that is: “I give you this, you give me that”. The effective transactional leader puts into practice classical management techniques, uses their organisation’s performance-management system, works top

**1. Transactional leader example 1**

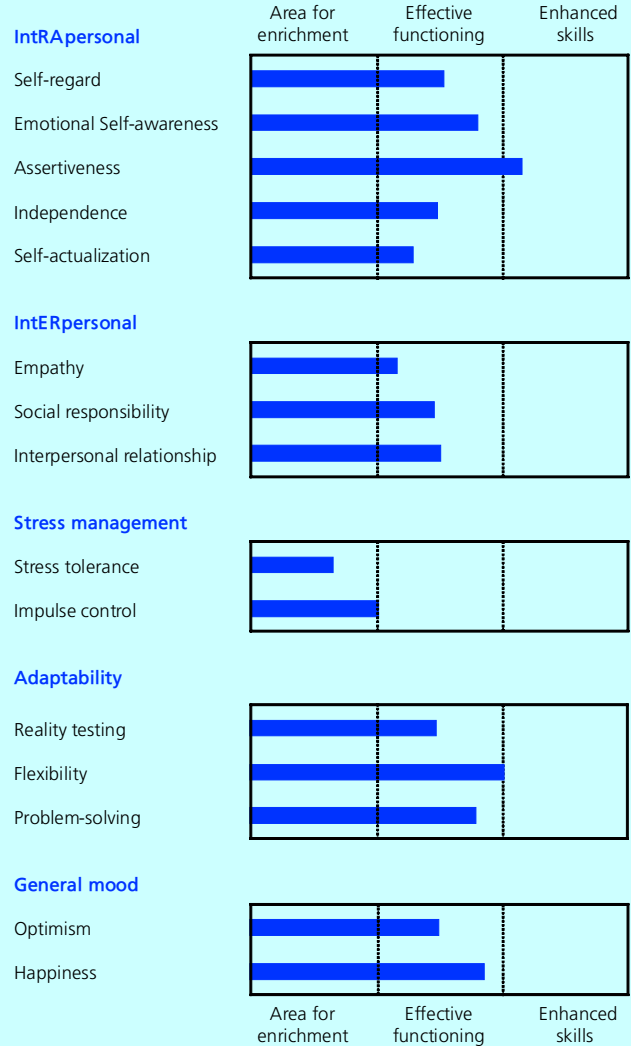
The Bar-On Emotional Quotient Inventory profile of a transactional leader who is more likely to be resilient in the full sense of the word; leader 2 (shown in box 2) may struggle.



Source: EI World Ltd (2004), generated using Bar-On EQ-i software supplied by Multi-Health systems Inc.

**2. Transactional leader example 2**

The Bar-On Emotional Quotient Inventory profile of a transactional leader who is less likely to be resilient in the full sense of the word than leader 1 (shown in box 1).



Source: EI World Ltd (2004), generated using Bar-On EQ-i software supplied by Multi-Health systems Inc.

down in a fair and equitable sense, and is very process-driven. The use of management by objectives, for example, is highly characteristic of transactional leadership. It could be said that if all leaders were effective transactional leaders, the world would be a much better place. A cynic, though, might argue that transactional leaders are concerned with controlling followers.

In relation to EI, we could define an effective transactional leader as someone with the following combinations of Bar-On EQ-i dimensions or attributes:

■ **High assertiveness and high reality testing** – that is, someone who is able to “tell it like it is”, who can achieve a strong focus on important issues and take the decisions that are needed. This combination of skills would also be true of a good administrator and this is the area of EI where the transactional leader can be considered someone who is able to see the process and get things done. This combination is also true of a good negotiator, someone who is able to use their communication skills to strike a good deal and use the procedures and processes to get a job done.

■ **High independence and high problem-solving** – someone who is able to solve problems and make things happen, without feeling emotionally dependent on others. This type of person is good at delegating and organising, and in helping their followers to feel motivated. Transactional leaders often help others feel good because they make the world seem more manageable to others. However, even among effective transactional leaders, we often see the following additional EI pairings that reveal potential weaknesses in their leadership style.

■ **High self-regard and low empathy** – the transactional leader may not always see the world from the perspective of their followers. They may have the self-confidence to forge ahead without others necessarily following behind or being able to keep up.

■ **Low emotional self-awareness and low flexibility** – the transactional leader may not fully tune into their style and may not feel too comfortable doing things someone else’s way. As Saj-Nicole A Joni points out in a recent *Harvard Business Review* article on trust: “Leaders who trust no one and try to lone-wolf it through difficult decisions may make enormous, yet preventable, mistakes” (Joni, 2004).

The aspects of EI that transactional leaders may need to watch are:

■ low stress tolerance – having a low breaking point and feeling the strain of demands and pressures;

■ high flexibility – switching too quickly to other things, being unfocused; and

■ low impulse control – impulsively making decisions and being explosive when things do not go to plan.

A quick glance the EQ-i profiles of two different transactional leaders illustrates these points (see boxes 1 and 2). Leader 1 is more likely to be resilient in the full sense of the word. Leader 2 may struggle.

Organisational settings where the transactional style represents the most useful approach that a leader can take are usually those where parameters are clearly defined.

In contrast, there are several situations where this style can be unhelpful or counter-productive:

- when the full engagement of others is required;
- when there is no “right” way of leading; and
- where the leader is trying to achieve significant organisational change.

Where a leader’s followers have high levels of the EQ-i characteristic of independence, the leader needs to act as a role model who facilitates, has vision and generates autonomy in followers, and is not an autocrat.

If followers have low levels of independence, the leader needs to provide detailed structure and have more of a paternalistic approach. There is a danger in the leader behaving in this way, however. Followers with low independence are unlikely to challenge their leader when they go too far. If the leader has low levels of reality testing, they may not be able to see that they have taken the organisation off the rails, and their followers will not have warned them.

### Transformational

In contrast to transactional leaders, transformational leaders engage hearts and minds. They connect at a deeper level with dreams, needs and aspirations. Transformational leaders make efforts to find out what motivates people, what might inspire them to reach for higher levels. One sees here reformers, heroes, great minds and also charismatic leaders. Gandhi, Joan of Arc, Rousseau and Mao might be considered to be transformational leaders.

In contrast to the leaders described as transactional in their style, transformational leaders are more likely to have these EQ-i components:

■ **Low reality testing and high emotional self-awareness** – in other words, they are good visionaries, inspirers and dreamers, but not necessarily good organisers, nor concerned with making things more effective (in terms of evolutionary change). They are more interested in complete change.

■ **High emotional self-awareness with high assertiveness** – they are good communicators and can engage other people’s emotions. They help people feel like the world could be a better place. As West-Burnham says: “At the heart of our understanding of leadership has to be the fundamental proposition that every leadership action will generate emotional responses” (West-Burnham, 2002).

■ **High independence combined with high social responsibility** – being able to be self-directed in a way that creates impact for the broader team, community or organisation.

An example of a transformational leader’s EQ-i profile is shown in box 3.

**The moral dimension**

Burns’ model of leadership incorporates a moral dimension. Those leaders who wield absolute power in a completely immoral way – such as the use of murder and violence by Hitler and Stalin as a means to an end – are rejected by Burns and excluded from his model.

His views on the morality of ambition are more mixed. He considers that the will to obtain and use power can act as a corrupt influence on a leader. This means that he would be unlikely to regard individuals having high levels of the EQ-i dimension of self-actualization as representing effective or moral leaders.

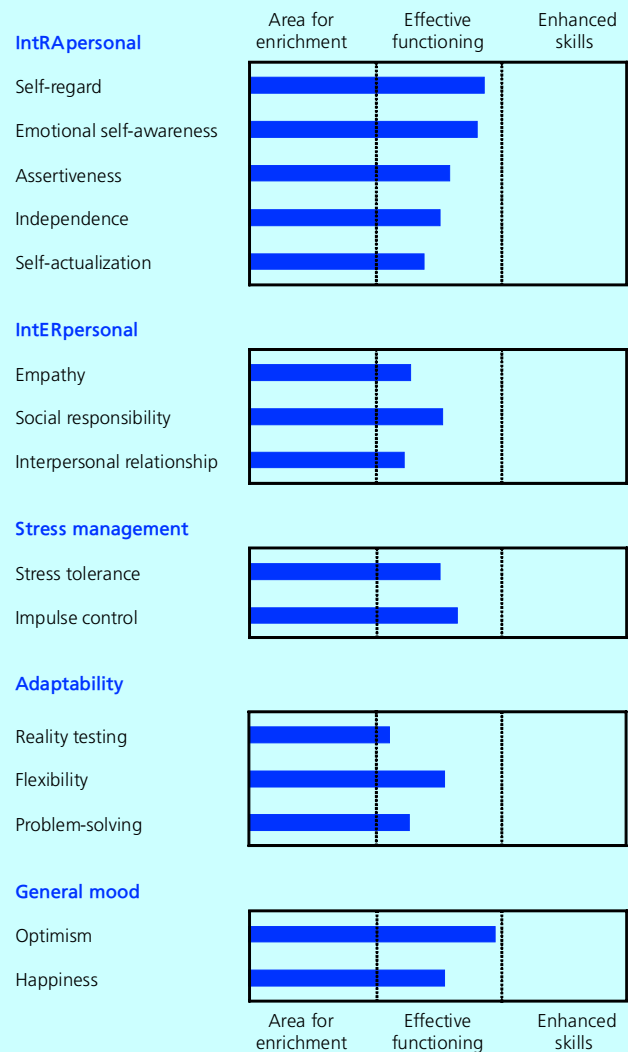
This raises an interesting question about the self-fulfillment of leaders. In the authors’ respective practices, we see a large number of leaders struggling to answer yes to the question: “Am I living the life I want?” or “Am I reaching my full potential?”. As long ago as 1977, Robert K Greenleaf wrote his prediction for a new work ethic: “The work exists for the person as much as the person exists for the work” (Greenleaf, 1977, p.142).

Additionally, a number of practitioners have turned to the subject of successful leadership to articulate a more holistic view of this

concept. Nash and Stevenson’s recent *Harvard Business Review* article (2004) describes four components of a successful leader:

- happiness – does your culture allow others to enjoy the moment?
- achievement – are financial victories a numbers game or genuine mastery of problems?
- significance – does your product or service create real value for others?
- legacy – are you preparing for the next generation of success?

**3. An example of a transformational leader**



Source: EI World Ltd (2004), generated using Bar-On EQ-i software supplied by Multi-Health systems Inc.

**Other leadership studies and EI**

A range of studies has been conducted on EI and leadership, and three of these are highlighted below. From such studies, we have concluded that different EI abilities are correlated with different performance outcomes, some of which are situational.

**The Center for Creative Leadership** in Greensboro, USA, has researched the relationship between EI and effective leadership, using Benchmarks, the centre’s own 360-degree measure of leadership effectiveness, and the Bar-On EQ-i.

The research group comprised 302 participants on a leadership programme (average age 47.2 years old, 73% male, 81% white, 90% with a bachelor’s degree and 66% earned more than \$125,000 a year). The researchers found that the most important EQ-i components for being an effective leader were social responsibility, stress tolerance and impulse control – in other words, this is a profile of a leader who is responsible and constructive as part of a group, resilient and patient/controlled. This would equate broadly to a transformational leader.

**Whitbread** was among the first UK companies to start to identify the specific links between EI and exceptional performance, as measured by four main business metrics.

The research group included 161 general managers who were in charge of the company’s restaurants and pubs (109 males, 52 females, in an age range between 25 and 54 – average 37.9 – with a minimum length of service of 11 months and an average length of service of 4.7 years).

Performance statistics were collected on each person and correlations calculated for four different performance measures. The list of EQ-i components in box 4 describes what were found to be significant differentiators among the highest-performing general managers.

Although the EQ-i results show slightly different combinations relating to different performance data, it is evident that the role of general manager in the company requires a hybrid type of transactional and transformational leadership. This involves a balance between the people elements and the resilience elements. What does one call such a leader? Simply, an effective leader?

This research suggested a direct link between EI and performance. It was estimated that someone with the “ideal” EQ-i profile would

deliver an increase of 34% in profit growth, compared with the average result. This figure would represent a 47% increase among female general managers.

The third study considered here was undertaken by Multi-Health Systems and involved chief executive officers (CEOs) of small to medium-sized enterprises who belonged to **Investors Alliance**, a CEO knowledge network of innovative accelerated-growth firms in Canada.

The research group comprised 76 CEOs (61 men, 15 women), all of whom were presidents or CEOs of companies that have been growing at a cumulative growth rate of at least 35% over three years and had annual revenues of at least \$2 million. The average age was 44, with 50% of the group aged 45 or younger; 45% had run their companies for six years or less; 60% of these CEOs had founded their company. A variety of industries were covered – manufacturing, business services, marketing, software development and computers. Of the companies represented in the study, 87% had reported a profit in the previous year (average previous year’s profit was 11%). In addition, 80% of the companies reported continuous growth, while 15% were flat and 5% were in decline.

Each person completed an online EQ-i survey and provided information in confidence about their company’s performance. Two sets of

**4. Differentiating EQ-i components**

The factors and their associated Emotional Quotient Inventory components have been found to differentiate significantly between high- and low-performing general managers in Steve Langhorn’s Whitbread study.

<b>Team satisfaction (r=.36)</b>	Flexibility
	Stress tolerance
	Reality testing
<b>Team turnover (r=.49)</b>	Impulse control
	Happiness
<b>Guest satisfaction (r=.50)</b>	Happiness
	Interpersonal relationship
<b>Annual profit increase (r=.47, p=.002)</b>	Social responsibility
	Emotional self-awareness
	Reality testing
	Happiness

*Source: Steve Langhorn, submitted for DBA at Luton University, 2003.*

“superstar” CEO criteria were generated and discriminant analysis was conducted. Each CEO was asked to rank a set of nine business challenges. Correlations were computed to identify the links between EQ-i scores and reported business challenges.

The group was found to have generally high independence, assertiveness, optimism, self-actualization and self-regard – a profile that one would probably equate to a transactional leader – together with low interpersonal relationship and low impulse control. These findings were similar to those in a 1999 study of the **Young Presidents’ Organization** (Book and Stein, 2002). When CEOs were analysed according to financial criteria, the EQ-i components of empathy, self-regard and assertiveness were found to be important.

### CONCLUSION

The Management Standards Centre is in the throes of developing world-class national occupational standards for management and leadership as a result of a government-sponsored project in the UK to look into the various models and approaches, and update the earlier Management Charter Initiative competencies. The centre has recently concluded a second consultation exercise on its draft standards. One of the areas that is being suggested involves a set of personal and technical competencies concerned with “managing self and personal skills” (downloadable from [www.managers.org.uk](http://www.managers.org.uk)).

There is arguably a need to develop tools that help leaders and their organisation develop the personal qualities of leaders.

Perhaps what differentiates great leaders from others is the EQ-i component of social responsibility. It might be the essential factor in differentiating dictators from leaders and in differentiating leaders who create followership from leaders who follow.

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● EI WORLD IS ORGANISING A CONFERENCE FOR CHIEF EXECUTIVES AT ASHRIDGE MANAGEMENT COLLEGE, HERTFORDSHIRE UK ON 11–12 AUGUST 2004; CONSULT [www.eiworld.org](http://www.eiworld.org) FOR DETAILS.

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