

THE ART OF PICKING 'SUPERSTARS'

EMOTIONAL INTELLIGENCE - THE DIFFERENTIATOR

The Goal – the Ability to Predict

The mantra chanted in the boardroom today is 'optimisation'. Cost optimisation, revenue optimisation, profit optimisation and by default, EBIT optimisation.

Over the years organisations have used a number of strategies to achieve the 'optimisation' objective, some good and others not so good. Downsizing was the buzzword of the 1980's, business process optimisation was favoured in the 1990's and 'organic customer growth' using CRM strategies seems to be the theme of the new millennium.

Without dispute, however, is the fact that those employees classified as 'superstars' make the biggest difference of all. The recent appointment of a 37 year old to the CEO position of a major Australian bank with a remuneration package of circa \$11 million is a testament to the influence a 'superstar' can exert.

The ability to predict which of your potential or existing staff are going to be superstars, and who's not, has long been seen as the 'holy grail' of good management. In the 1990's we saw a swag of tests come into vogue aimed at predicting the performance levels.

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In general they focused on either IQ or attitude, or a combination of both - 'aptitude'. Up until the late 1990's most of these tests relied on confused methodologies, dubious assumptions and provided limited accuracy in predicting future success.

Emotional Intelligence – What is it?

In the late 1990's we saw a revolution with the publication of Dr Daniel Goleman's book *Emotional Intelligence*. The overriding theme of the research was that IQ had proven itself a disappointment when it came to predicting career success or for that matter, life in general.

Rather, one's emotional competencies or social intelligence were shown to be a far more accurate predictor of performance than IQ.

The concept of 'emotional intelligence' (EI) was first coined by Professors Peter Salovey and John Mayer of Yale and New Hampshire Universities in the early 1990's. They defined it as a "form of social intelligence that involves the ability to monitor one's own and other's feelings and emotions, to discriminate among them, and to use this information to guide one's thinking and action".

IQ counts for a maximum of 25% of achievement in work or life with some research indicating it may be as low as 4-10%. IQ, however, is far from redundant. It is a

competency that determines what sort of job you'll do rather than determining how well you'll do it.

That's where emotional intelligence comes in. As Margot Cairnes points out in her book *Approaching the Corporate Heart*, "those who have learnt to work with their emotions are measurably more effective...the more complex the task the more important our Emotional Intelligence becomes".

EI and Leadership

Goleman points out that the ability to distinguish superstars from the average, irrespective of what job they did, was more than twice as often, based on emotional competencies as opposed to their technical skill profile. The characteristics most commonly displayed by superstars were things like being effective, persuasive in communication, self discipline, persistence and self awareness.

He goes on to say that "IQ and technical skill combined are only half as important as EI. More importantly, the higher you go in the organisation, the more it matters. So if you look at leadership positions...it's 85% of the ingredients that set the best apart from the worst".

In his work on leadership Goleman used data gathered by the Hay/McBer Consulting firm to develop a better understanding of what constituted the leadership styles of some 3871 executives randomly selected from a pool of 20,000.

Six styles emerged: the 'coach' who tends to counsel their people; the 'pace-setter' who sets high energy and performance levels that they expect everybody to aspire to; the 'affiliate' who builds a team that is loyal; the 'democrat' who will try to forge consensus; the 'coercive' who demands immediate compliance; and the 'authoritative' who provides clear guidance based on their skills and knowledge, and remains flexible enough to take onboard new input.

Naturally, superstars will have a measure of all of these styles to a greater or lesser extent with Goleman favouring the 'authoritative', with 'coercive' seen as the least effective of all the styles.

Toronto based management expert Steven Stein of Multi Health Systems refers to research conducted into young entrepreneur CEOs which showed that the superstars were differentiated by their empathy. "It meant that these people were really good at listening to and understanding their direct reports, their staff and customers" say Stein.

Empathy is very much an interpretive skill. Researchers found that people who are able to accurately and consistently identify emotions, conveyed by facial expressions, tend to deal with business problems involving people far better. They appear better able to deal with

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customer complaints or to mediate disputes and excel at establishing and, over the long term, maintaining personal relationships.

Gearing to Optimise – Spotting the Opportunity

Dr Richard Wiseman, head of the research unit the University of Hertfordshire, took this concept one step further when he applied pure science to explain the notion of luck.

Over a period of 8 years he studied 400 people, approximately half of whom considered themselves to be lucky and half of whom didn't. As an aside, his research shows that 50% of us consider ourselves to be lucky, 36% neither lucky nor unlucky and 14% of us considered ourselves to be unlucky.

It turned out that lucky people really do experience 'luck', they consider themselves to be lucky and they expect lucky things to happen to them. What his research highlighted, however, was that emotionally, lucky people were geared to optimise their luck whereas others were not. In other words lucky people were sensitive to 'lucky opportunities'.

He gives a beautiful example of the two groups, lucky and unlucky, who are asked to undertake a simple task of counting the number of photographs in a newspaper. There was no time limit set.

The results were quite remarkable, in the main the lucky people completed this task much faster than the unlucky people. The reason for this was that most of the lucky people noticed the caption on page three written in 8cm letters which stated, "look no further there are 47 photos in this paper".

Most of the people who considered themselves to be unlucky tended to miss the notice all together, with some even going back to count a second time. Further into the newspaper was another caption also in 8cm letters which said "if you see this note tell the researcher who will give you £250". Again most of the unlucky people missed this whereas the lucky people tended to notice and collected their prize.

Luck was therefore, shown to be very much related to one's state of mind and ability to identify the opportunity.

One aspect of success in the corporate sphere, and for that matter life in general, is very much about spotting opportunities and acting on them in an effective way.

Goleman provides a wonderful example of this psychology in application. A sales firm happened by chance to ask aspiring sales applicants if they considered themselves to be optimistic.

After a number of years an analysis was undertaken on the

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historical performance of the sales team. The result was that those sales people who categorised themselves as optimistic out performing the others by 37% in their first year and 57% in their second year.

As a result, the hiring strategy was changed to focus only on those who considered themselves to be optimistic. Again these people outperformed the others by over 60% in their second year.

How to Pick and Develop the Best?

Research clearly highlights that emotional intelligence is something that can be learnt, and with awareness, will continue to develop over time.

Corporations who are spending millions on staff training ignore the most important aspect of their employees' contribution – their emotional intelligence development.

Elkhonon Goldberg, clinical professor of Neurology at New York University School of Medicine, agrees that emotional intelligence can be learnt. However he goes on to say that "I believe the best way to get emotionally intelligent leaders is to select people who already show the basic qualities you want. That's how athletic coaches operate...they train the naturally gifted. Business Managers should do the same. Look for those with a genuine, instinctive interest in other people's experience and mental worlds. It is an absolute pre-requisite for developing emotional intelligence".

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Goleman argues that managers and their staff need completely different skills, and that it is sometimes dangerous to promote the technically accomplished.

In a recent Australian Financial Review interview he says "this is one of the things that I have learnt from the data...people who have qualifications for specific technical tasks don't necessarily have any prerequisites for leadership."

"They are not mutually exclusive, but they're not inclusive; they are a different set of skills".

Naturally, this becomes highly important when determining hiring strategies, succession plans, promotional criteria and individual training programmes.

Conclusion

It is now no longer sufficient to hire staff based on their skill profiles alone. In order to achieve the very best it is important for the enterprise to hire the very best.

The art is therefore to identify candidates who not only have the skill portfolio but also the emotional competencies necessary to meet the challenges. The ability to evaluate highly

capable and emotionally mature individuals is a skilled task and should be undertaken with expert support.

Psychometric assessments and personality profiling may offer you an indication as to someone's disposition; however these should be used as a guide to support the behavioural interview and to validate the track record through the reference check.

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