



AUSTRALIAN INSTITUTE OF
TRAINING AND DEVELOPMENT

DEVELOPING
human capital
DELIVERING
business results

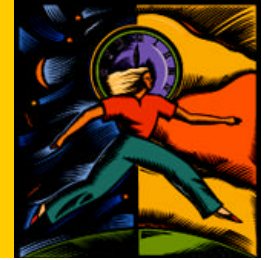
The Leadership Journey -The role of Emotional Intelligence

Dr Paul Power

Chair : Mr Nick Mills

HayGroup

AITD National Conference

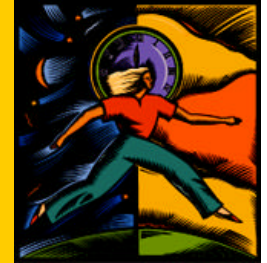


*The
Leadership
Journey: The
Role of Emotional
Intelligence*

Paul Power PhD
October 17, 2002



Agenda...



- Context: *The Leadership Development Imperative*
- Leadership Effectiveness Framework
- Journeys in Leadership Development:
Case Studies
- Discussion

Achieving Leadership Excellence



“Executive leadership is a key source of competitive advantage... it should rank in a company’s top five strategic priorities”

(M.W. McCall, 1992)

“Leadership development and succession planning will be the priority issues of the next decade”

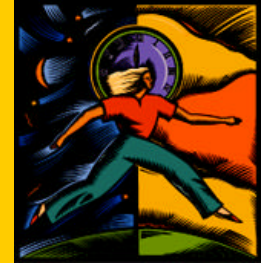
(Jay Conger, 1999)

“This much is certain: The old-economy model of leadership is obsolete. These days, the creation of a vibrant network of grassroots leaders may be the most important - as well as the most difficult - aspect of developing the art of leadership”

(Fastcompany, 1999)



Achieving Leadership Excellence



“Transformational, or socialised, leadership is directed toward the service of collective interests, where leaders acknowledge the need to understand and show respect for their followers, attempting to motivate them through reason and emotional appeal.”

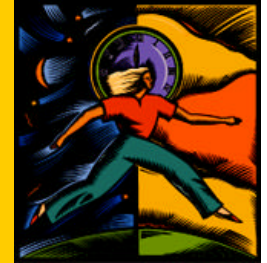
(Bruce Avolio & Bernard Bass, 2002)

Each and every leader, can become much more effective by focusing on a small number of core aspects of leadership and by developing a new mind-set about the leader’s responsibility to herself or himself and to those with whom she or he works.

(Michael Fullan, 2001)



Why We Need Leaders:



What Recent Surveys Are Telling Us:

- More than 50% of employees lack the motivation to keep learning and improving
- 4 in 10 people cannot work cooperatively
- Only 19% of entry-level applicants have adequate self-discipline for their jobs

What Our Clients Are Telling Us:



- Critical shortages of leadership capability
- Competition for top talent
- Leaders not behaving differently despite years of development programs



What is Leadership Development?



Developing outstanding leadership capability is all about personal and professional transformation that will create value for the leader, the team and the organization.

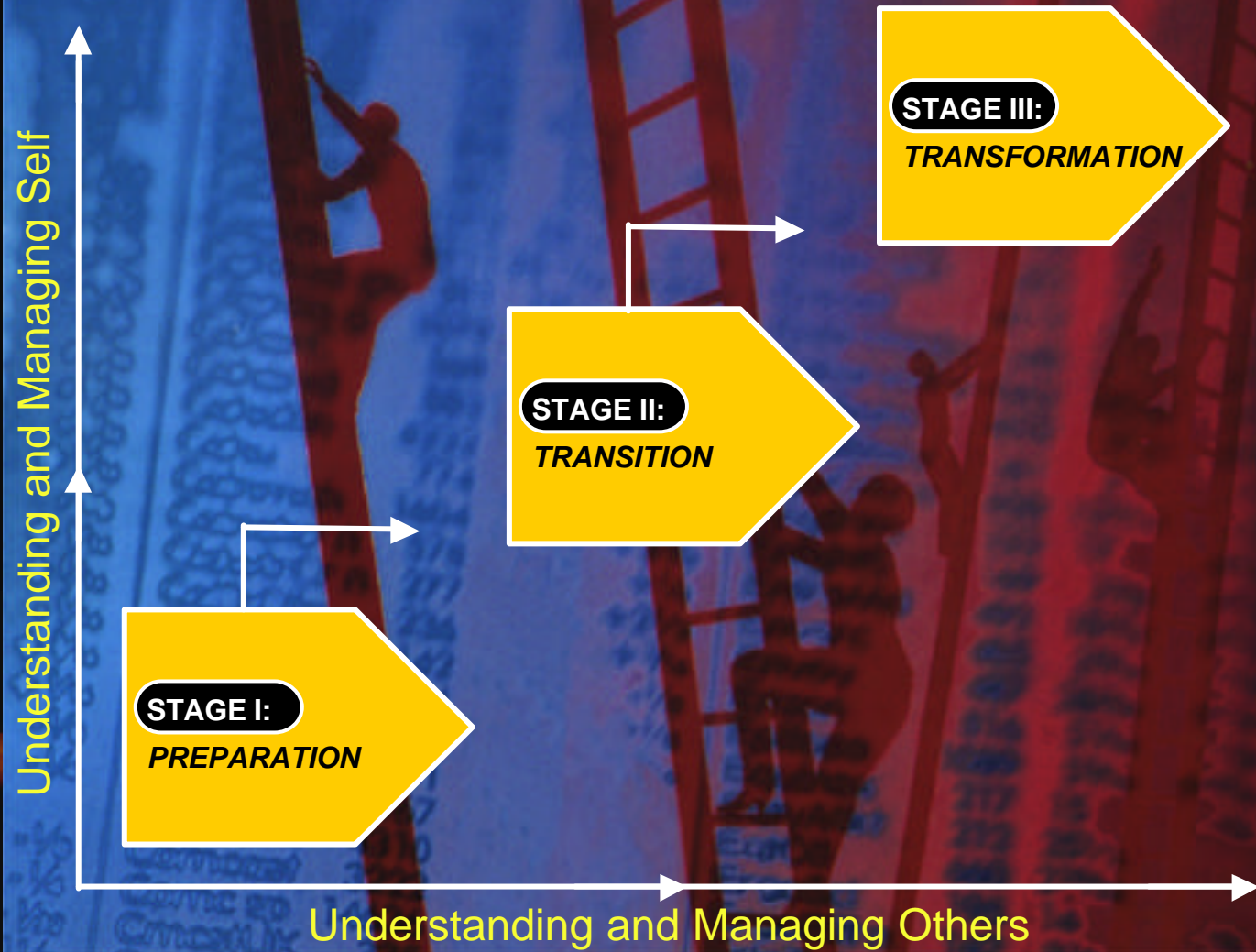
We develop as leaders when we are ready and willing to make the hard changes in ourselves.

Leadership development happens when people realize it's as much about their own personal lives as it is about their organisational role

Leadership development is an inward journey that must engage the heart as well as the head - it is a call to growth in ourselves and in our relationships



Leadership: From the Inside Out



Stage I Preparation



- Answering the call
- Discovering one's passions
- Developing the skills for learning
- Taking the first risk - "Crossing the threshold"
- Finding a mentor and guide
- Seeking companions for the journey
- Establishing a road map



Understanding and Managing Self

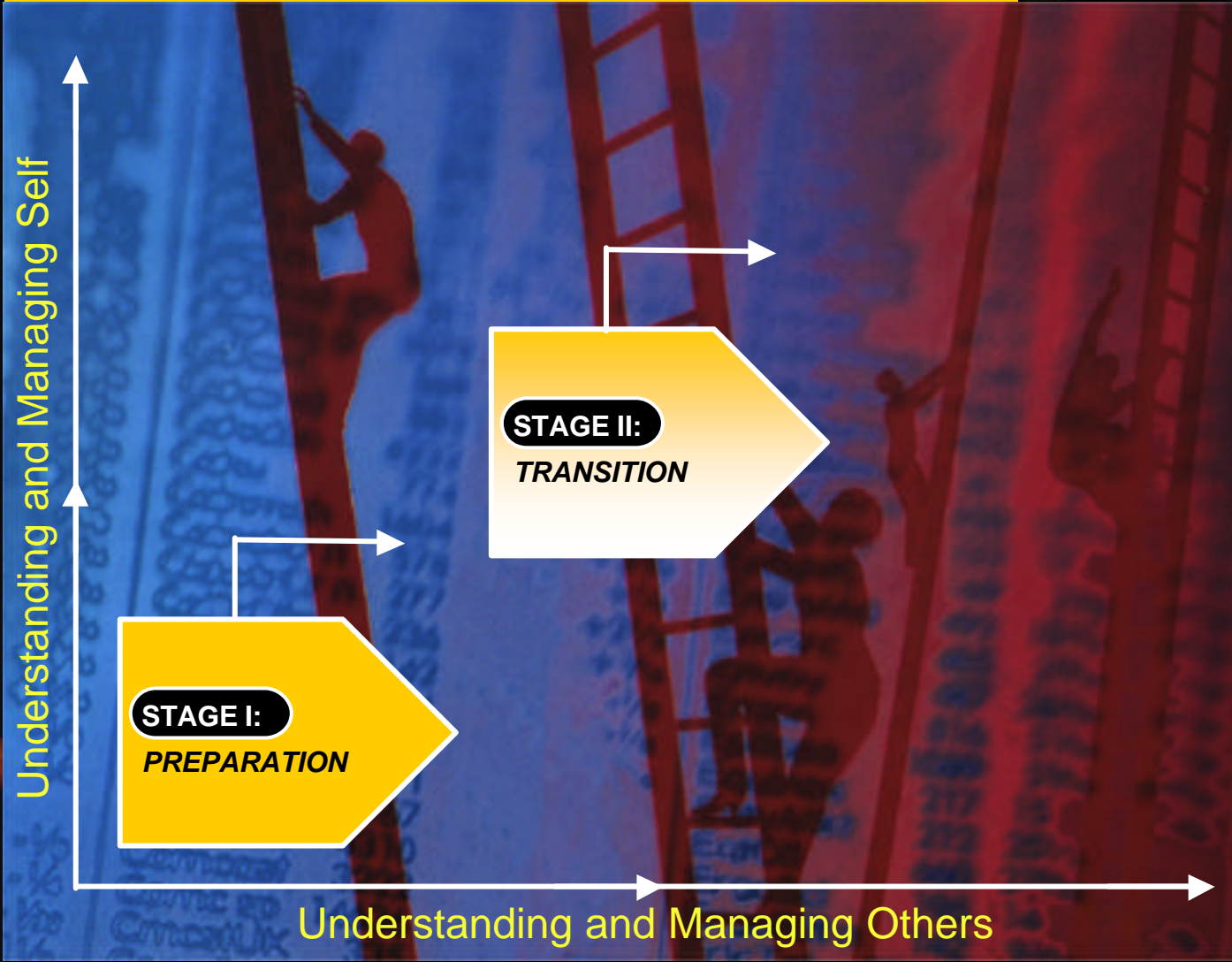
STAGE I:
PREPARATION

Understanding and Managing Others

Stage II Transition



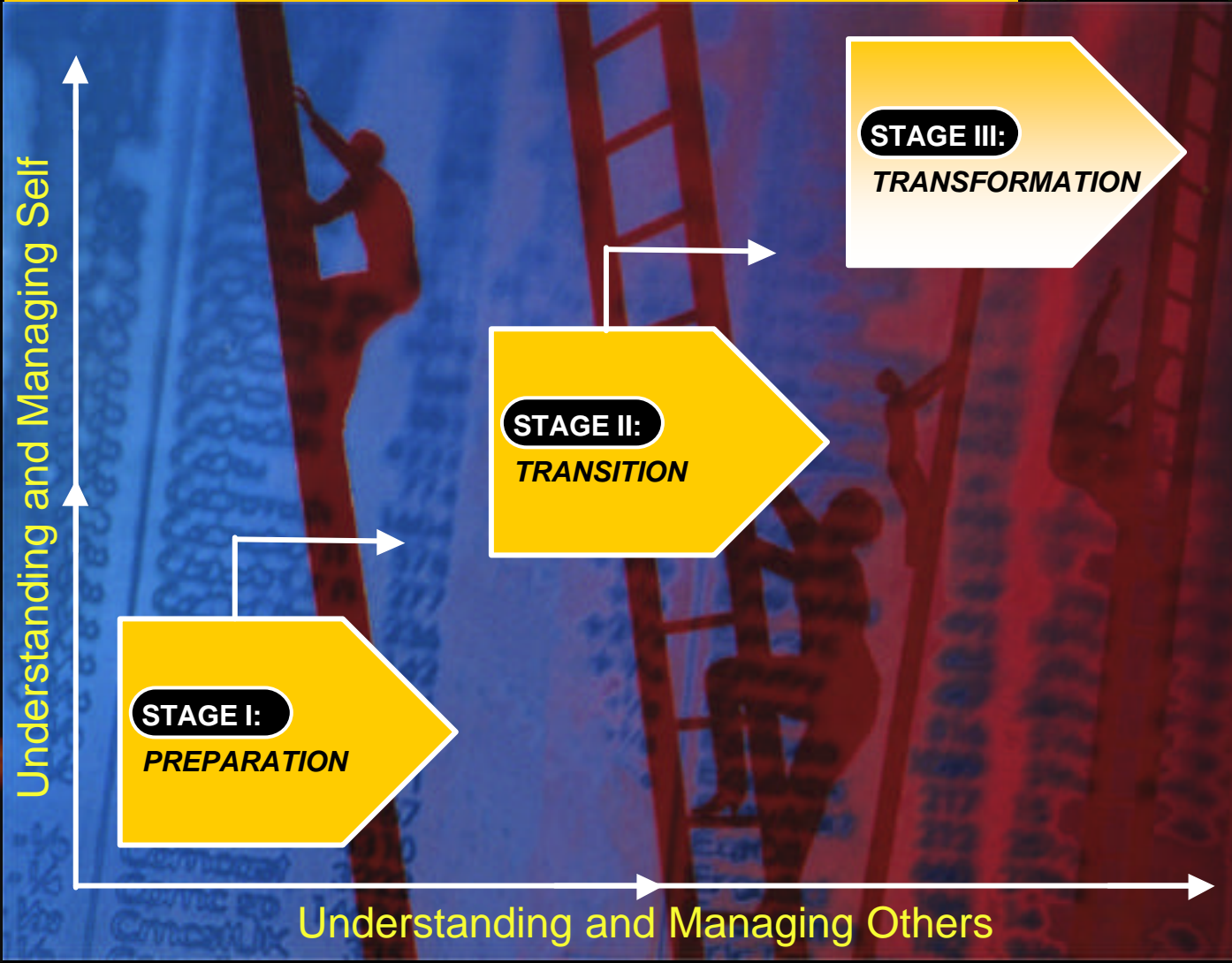
- Embarking on the “road of trials”
- Facing the greatest personal challenges
- Shifting paradigms and thinking differently about self
- Incorporating new behaviours



Stage III Transformation



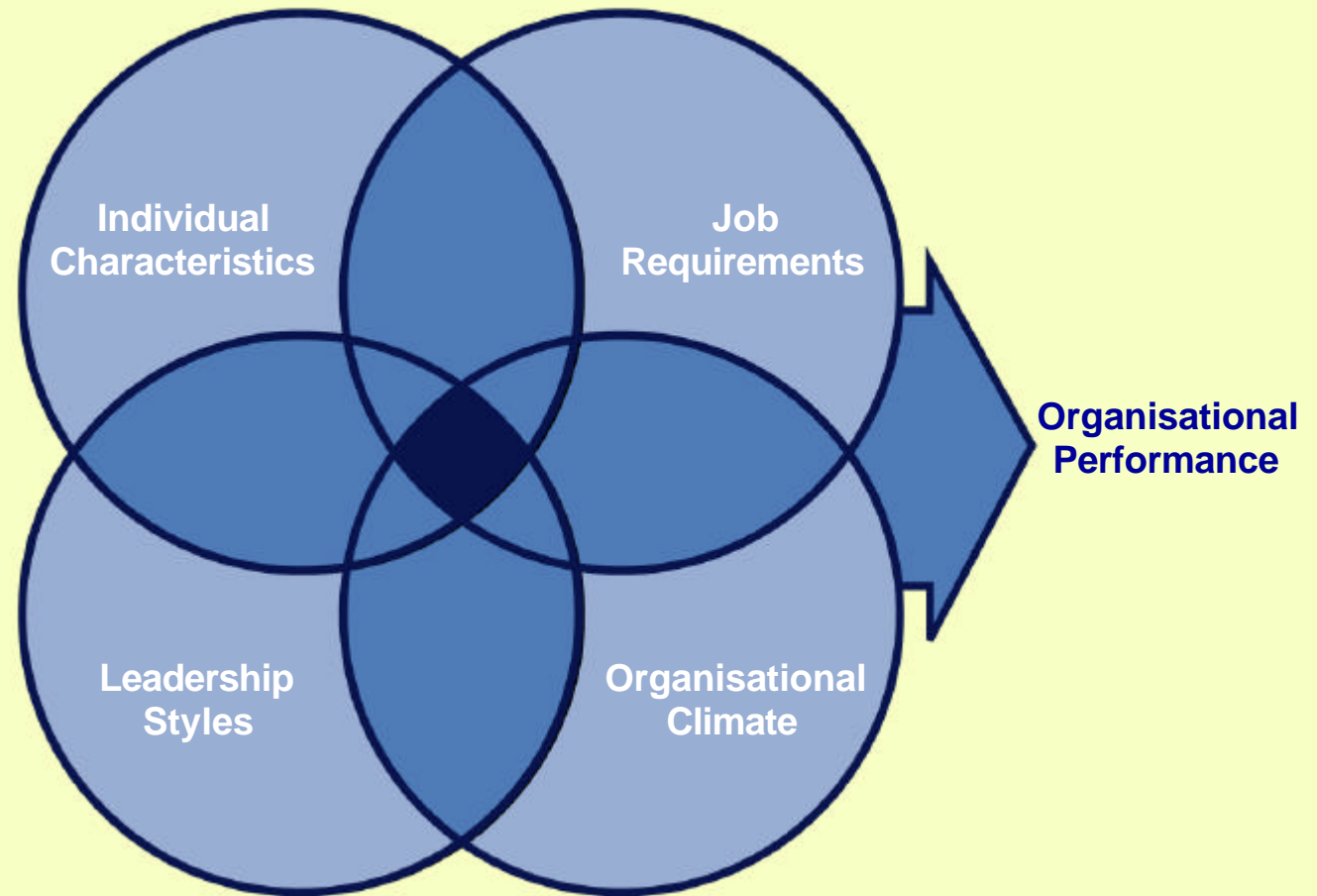
- Coaching and Contributing to others
- Consolidating change
- Providing vision and energizing others
- Aligning levers for sustained change



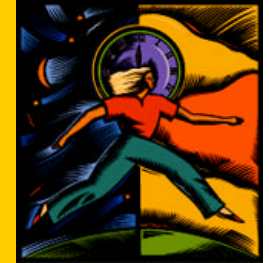
Leadership Effectiveness



HayGroup's
Four-Circle
Model of
Organisational
Performance



Organisational Climate



Research has shown 28% to 30% of the variance in business results can be explained by differences in organisational climate.

Flexibility _____ No unnecessary rules
New ideas are accepted

Responsibility _____ Authority delegated
Accountable for outcome

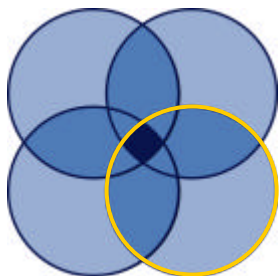
Standards _____ Emphasis on performance
Challenging/attainable goals

Rewards _____ Good performance recognized
Differentiated rewards

Clarity _____ Expectations clear
Expectations linked to mission

Commitment _____ Proud to belong
Discretionary effort

Hay
research...



Managerial Styles



Research has shown up to 70% of the variance in organisational climate can be accounted for by the differences in leadership styles demonstrated by management.

Coercive ————— Immediate compliance

Authoritative ————— Long-term direction and vision

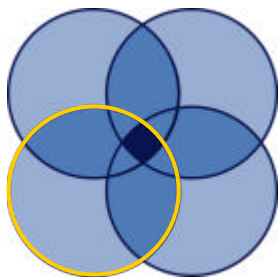
Affiliative ————— Creating harmony

Democratic ————— Building commitment and generating new ideas

Pacesetting ————— Task accomplishment to high standard of excellence

Coaching ————— Long-term professional development of others

Hay
research...



Job Requirements



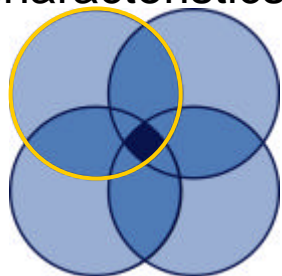
To develop effective leaders, an analysis of what the job requires the person to do is critical

Understanding the job requirements in relations to what a person brings to the job and finds satisfying explains why some individuals perform well in some aspects and find other parts of the job frustrating

Individual Characteristics



Rarely if ever, do knowledge and skill alone differentiate performance;... What does differentiate performance are a person's more deep-rooted characteristics.



Technical Training

Skill

Knowledge

Role/Image

Leadership Development

Trait

Motive

Emotional Intelligence Defined

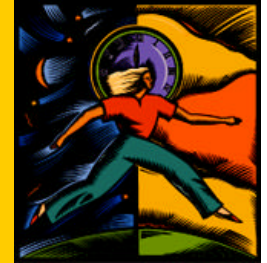


“The capacity for recognising our own feelings and those of others, for motivating ourselves, for managing emotions well in ourselves and in our relationships.”

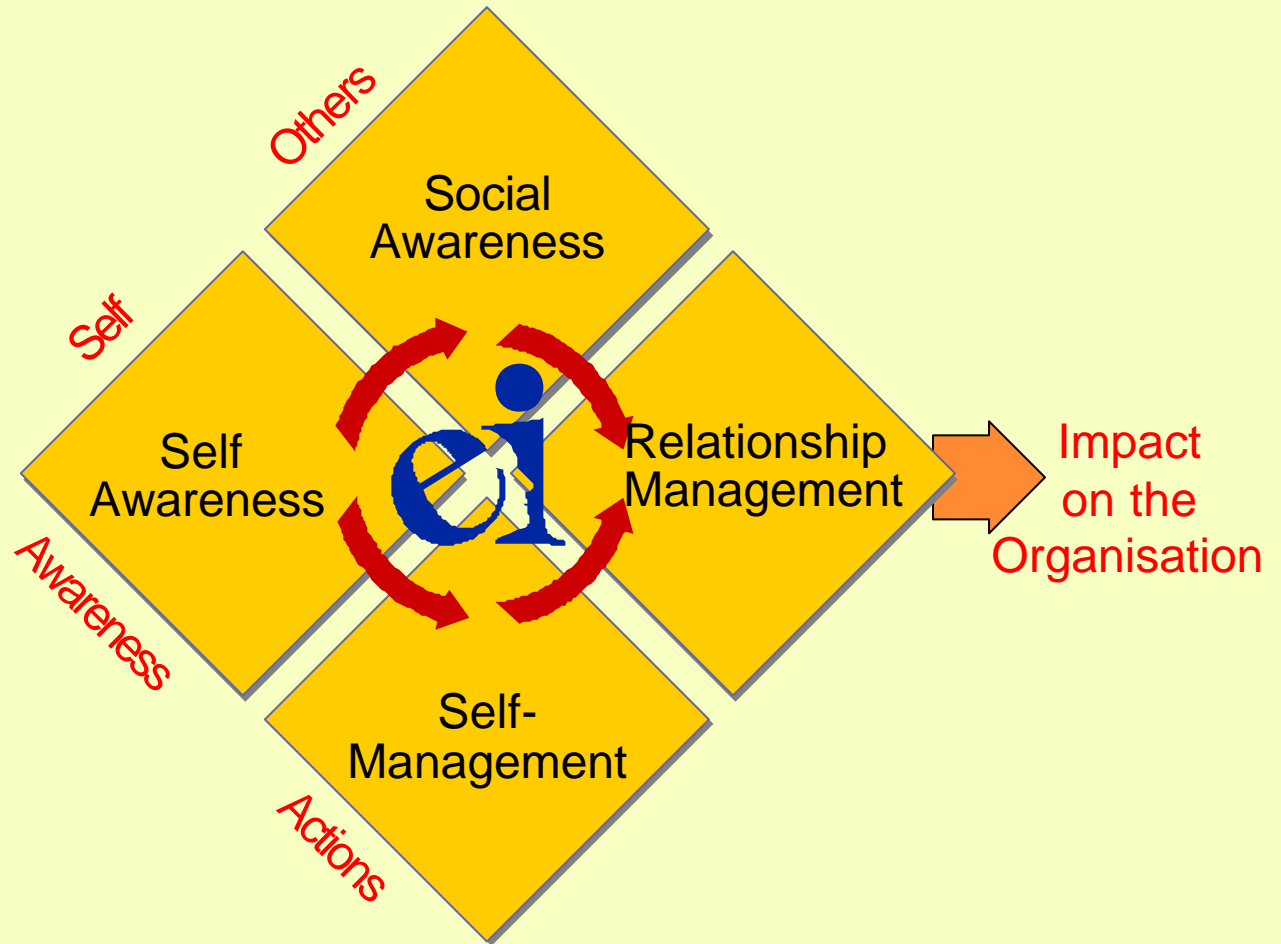
Daniel Goleman



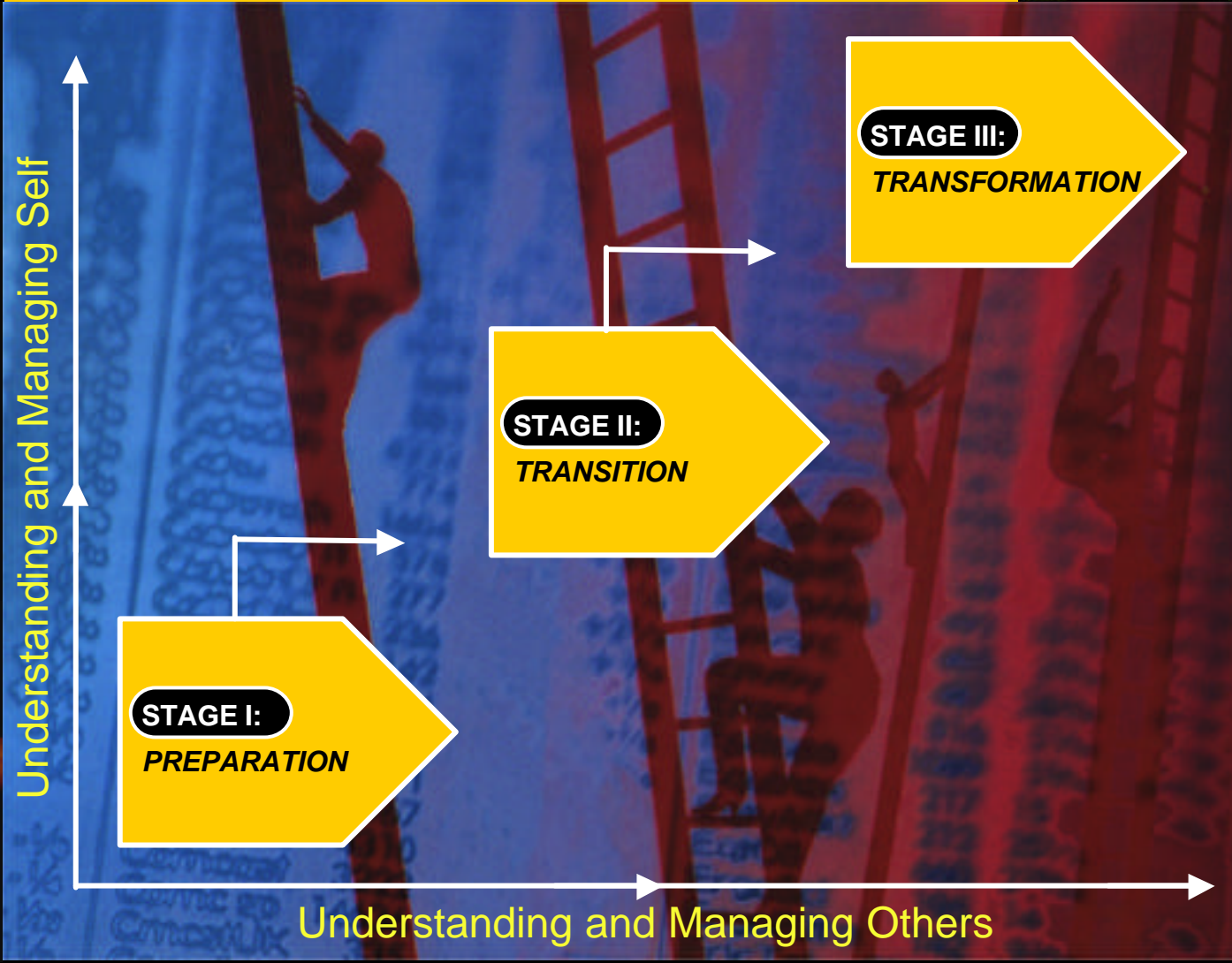
A Profile of Leadership Effectiveness



Emotional Intelligence



Leadership: From the Inside Out



Leadership and Emotional Intelligence

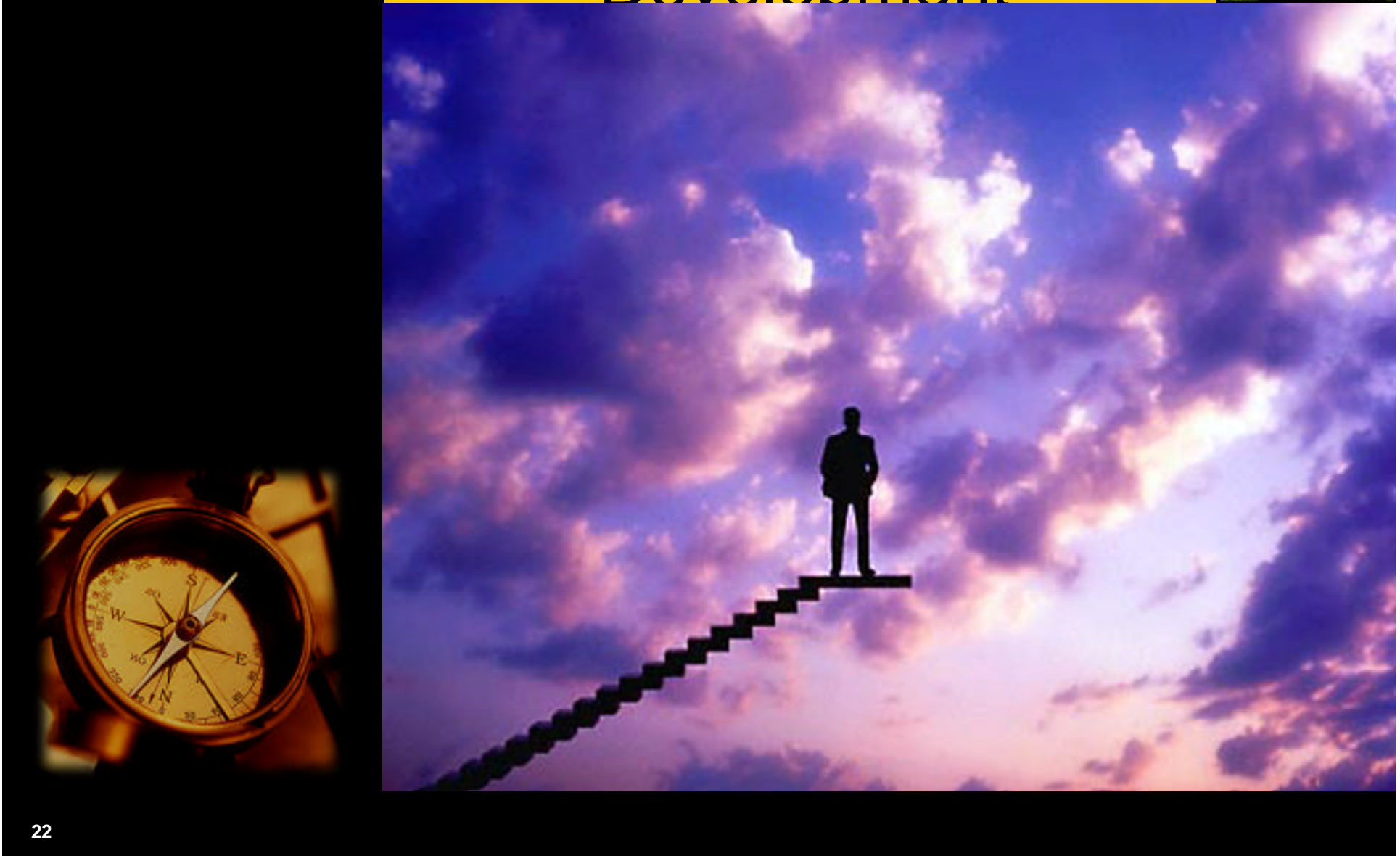
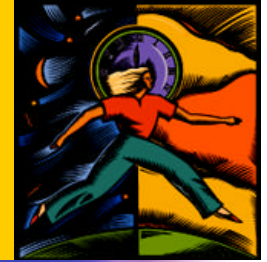


Leadership in the Most Admired Companies



EI Competencies (EI Quadrant)	Frequency Shown
Self Confidence (Self-Awareness)	2x
Self Control Achievement Orientation (Self-Management)	7x 2x
Empathy (Social Awareness)	3x
Teamwork (Relationship Management)	2.5x

Journeys in Leadership Development



Case Study #1



Background: Educational institutions perceived to be underperforming in terms of teaching effectiveness and student learning

Key Challenges:

- poor organisation climate: affiliative and democratic leadership styles most dominant
- low morale among teaching staff
- parent dissatisfaction with the schools
- teachers spending more time discussing personal problems than teaching priorities
- ineffective performance management processes



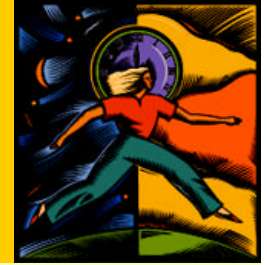
The Intervention



Conducted development program for Principals and their leadership teams:

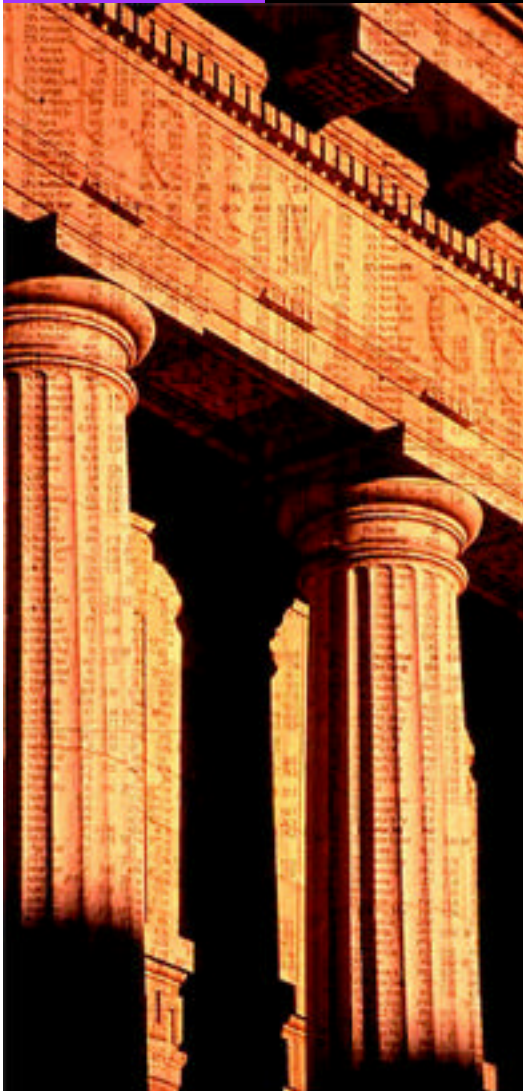
- ✍ Clarity of roles
- ✍ Expectations for teaching staff
- ✍ Expectations for students
- ✍ Mechanisms for reviewing performance
- Facilitated 2 day school leadership development program, with follow-up assistance in the school

Outcomes



- Improved operation of the leadership team: “Speak with one voice”; “Concentrate on priorities”; “Provide coaching and advice”.
- Increased staff discussion of teaching and learning issues
- Perception that teaching is more effective
- Improvement in school climate

Case Study #2

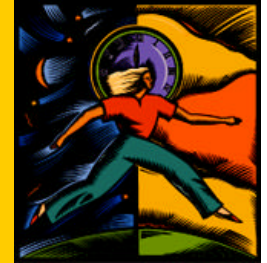


Background: Large national bank

Key Business Challenges:

- Languishing stock price
- Declining organisation climate
- Introduction of Value-Based Management (VBM)
- No significant changes in management behaviour despite years of training
- Intensifying competition

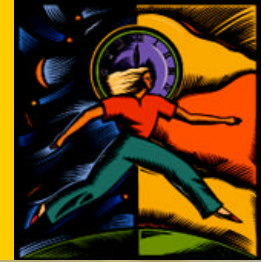
The Intervention



Intensive Five-Day Managerial Leadership Development Program:

- Integrated emotional intelligence with a current bank-wide initiative
- Intensive business simulation used to apply EI and business skills and demonstrate impact of managerial leadership on climate and business results
- Innovative methods to enhance relationships and deepen learning during and after the program (coaching partners, learning journals, referent groups)
- Executive sponsors played a key role: “Fireside chats” with CEO and senior executives; participation during simulation and debriefings

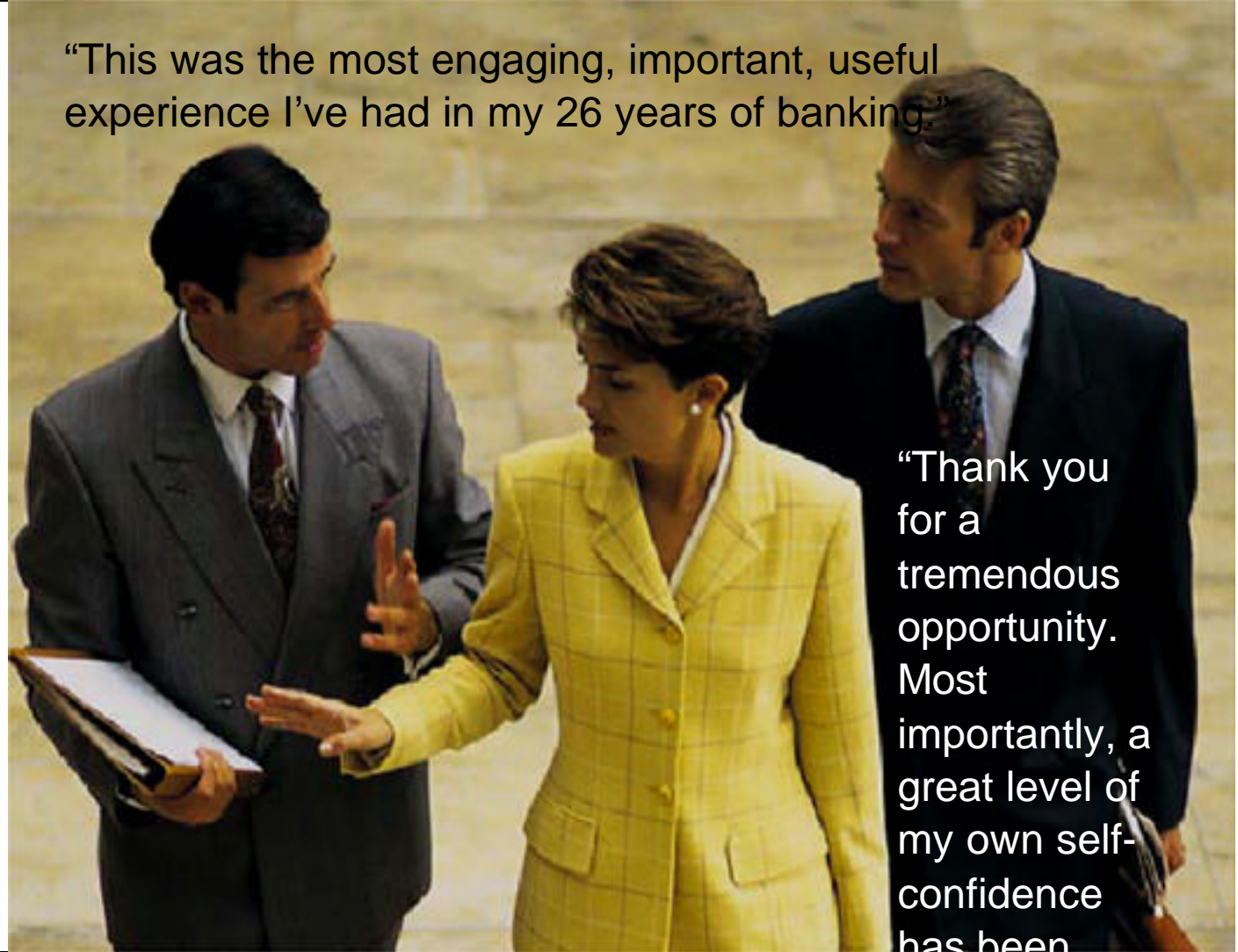
What People Said



“I’ve learned that although financial results are important, it is equally important as to how you achieve them - the process is as critical as the end result.”

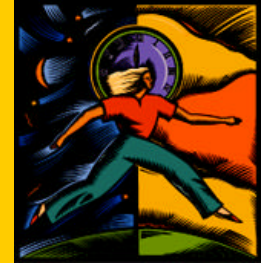
“I will make sure I think about my feelings and others’ feelings whenever we come together to sort out how we’ll create our future together.”

“This was the most engaging, important, useful experience I’ve had in my 26 years of banking.”



“Thank you for a tremendous opportunity. Most importantly, a great level of my own self-confidence has been restored.”

Case Study #3

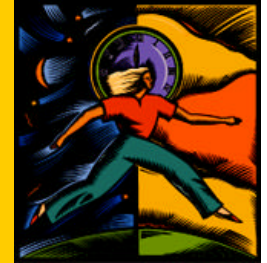


Background: One of North America's largest insurance companies

Key Business Challenges:

- Shift from a sales to a marketing organization
- Demand insurance products (auto, home) becoming a commodity
- New technology - e.g. internet changing the need for face-to-face service
- Agents not motivated to sell non-demand products (life insurance)

The Intervention



Developed Agent Competency

Model: “What are the key competencies agents need to sell non-demand products successfully?”

- Return on Investment: Agents with 5 or more key competencies sold 248% more annual life premiums than the average

Designed Two Leadership Development Programs:

- Agent Development
- Field Operations Leadership and Coaching

Program Impact



Performance
Improvements
Follows:

Performers (<i>Percentile</i>)	Revenue Increase
50	15%
70	21%
90	24%

- ROI: Each dollar invested in training resulted in \$16 of incremental revenue
- Payback on training investment realized in three months

Key Questions



Linking Leadership Development to Business Strategy



Do we have a clear vision and values?

Is leadership development linked to our strategic goals?

What is the context for leadership development - do we know the right competencies for leadership?

Do we make sufficient use of planned career assignments and personal mentoring?

Do we learn from our own successful leaders - do our leaders take an active and formal role in developing others?

Are we unwilling to accept inappropriate top management behaviour?

Does our organization view social and emotional skills as more important than technical skills to leadership success?

Questions & Discussion



What Sets Leaders Apart?



“Effective leaders are alike in one crucial way: They all have high degree of emotional intelligence”

What Makes a Leader
Daniel Goleman, 1998

“It’s bad execution. As simple as that: Not getting things done, being indecisive, not delivering on commitments... The best CEOs are deeply interested in people... it’s all about knowledge and execution.

Ram Charan and Geoffery Colvin
Why CEOs Fail

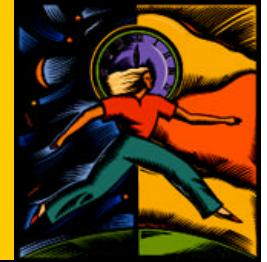


*The
Leadership
Journey: The
Role of Emotional
Intelligence*

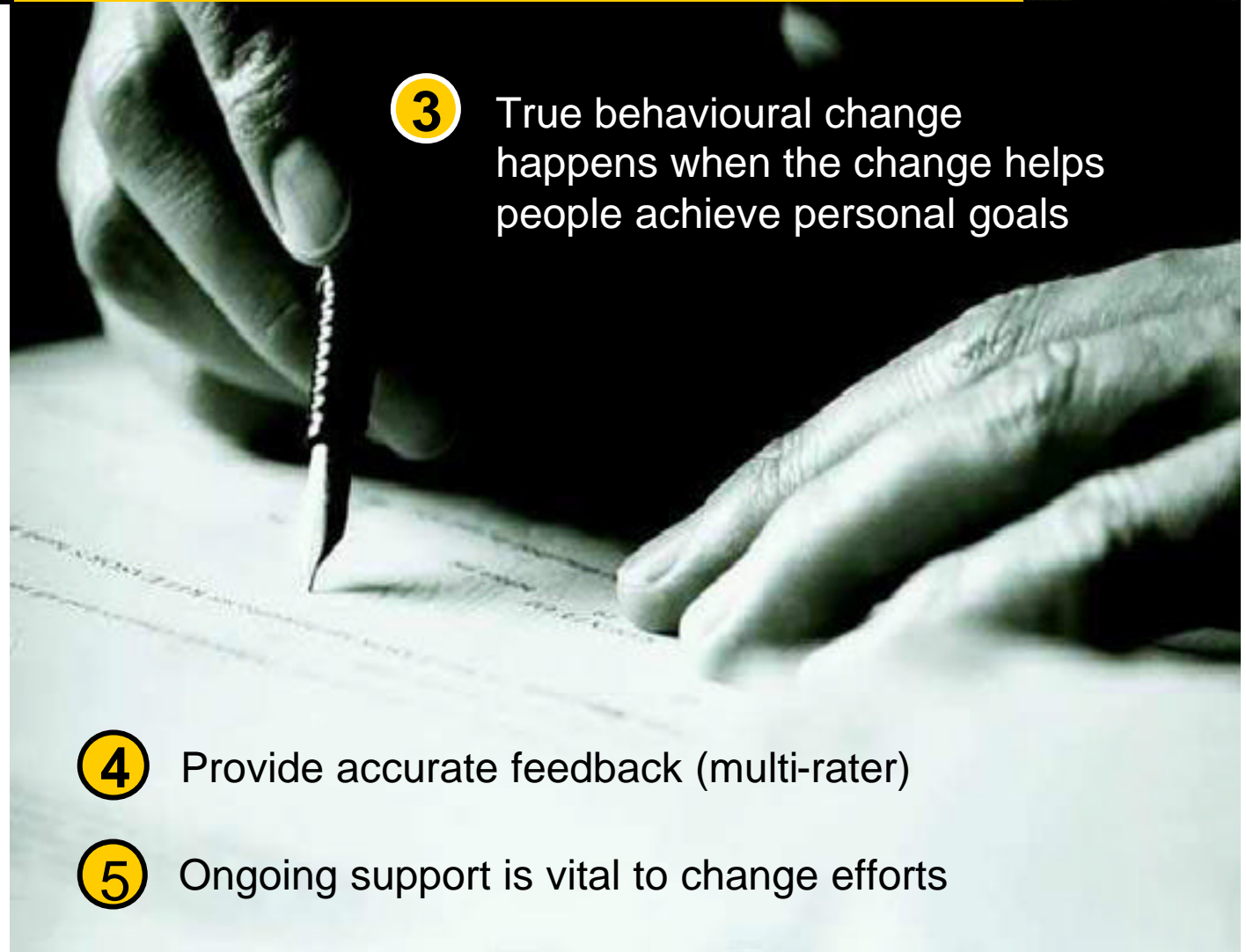
Paul Power PhD
October 17, 2002



Best Practices in EI Development



- 1 There must be an individual plan in place
- 2 Behavioural change takes time and practice



- 3 True behavioural change happens when the change helps people achieve personal goals

- 4 Provide accurate feedback (multi-rater)
- 5 Ongoing support is vital to change efforts

Best Practices in Leadership Development



Sharing Expert Knowledge

- Professional practicums
- On-line leaders' forums
- Lunch and learn series
- Web conferences
- External presenters
- Leadership newsletters (e-mail distribution)

On-the-Job Development

- Formal mentoring programs
- Planned job movements
- "Coaches' Corner" (on-line coaching)
- Resource development guides
- CD ROMs; video & audio tapes

Formal Learning/Enhancing Self-Management

- Contracting for leadership & learning
- Assessment and feedback (competencies; style, climate)
- Residential leadership development programs
- On-line learning series; virtual classrooms

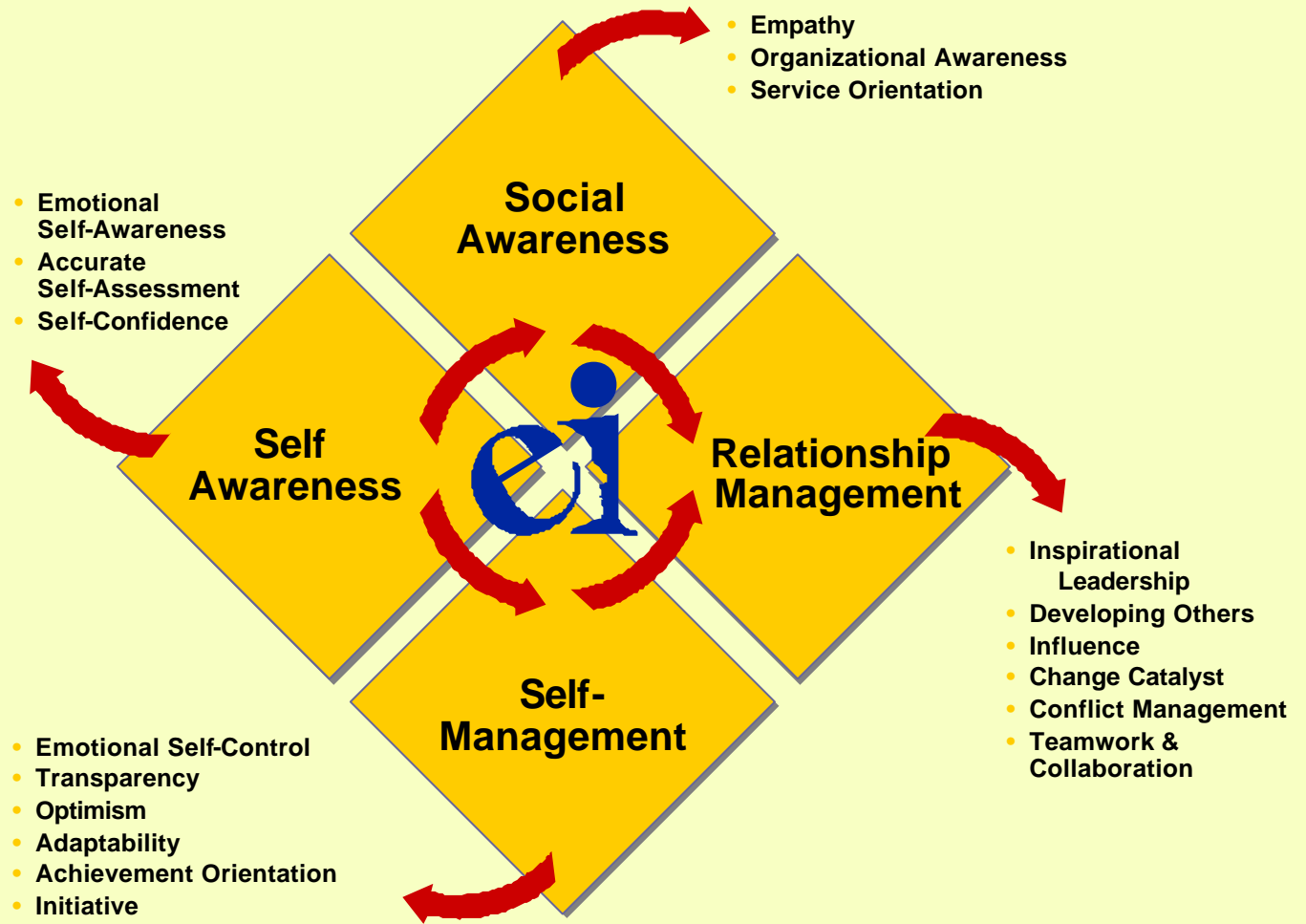
Experimentation

- "Workouts"
- Quality Management Teams
- Simulations

A Profile of Leadership Effectiveness



Emotional Intelligence



Developing Leaders



How Do Your Leaders Best Learn?



“Use A Great Deal”

	Most Admired	Peer Group
Planned career assignments	61%	35%
Individual one-on-one coaching	57%	22%
Formal in-house training	52%	51%
Business school executive program	35%	16%
Off-the-shelf study program	0%	6%

(1999 Fortune - The World's Most Admired Companies)

A Continuum of Leadership Interventions



- Self-propelled development (e.g., readings; on-line presentations, informal coaching)
- Individual assessment and feedback (e.g., motives, competencies, leadership styles, climate)
- “Deep Dive” formal learning interventions (including assessment feedback; one-on-one consultations; simulations)
- Sustaining activities (e.g., planned job movements; leadership “communities of practice”; formal mentor assignments; modifications to HR practices)



AUSTRALIAN INSTITUTE OF
TRAINING AND DEVELOPMENT

DEVELOPING
human capital
DELIVERING
business results

AITD National Conference 2002 gratefully acknowledges the generous support of the following sponsors

GOLD SPONSOR

click2learn™

BRONZE SPONSORS



IBM Learning Services



SUPPORTING SPONSORS



SkillsSoft
THE E-LEARNING SOLUTIONS COMPANY
A MERGER WITH **SmartForce**.

WISHLIST
CORPORATE:
PEOPLE & PERFORMANCE PROGRAMS



AUSTRALIAN INSTITUTE OF
TRAINING AND DEVELOPMENT

DEVELOPING
human capital
DELIVERING
business results

How to Integrate Values Into the Heart and Soul of An Organisation

Mr Peter Ernest
Mr Pete Jensen

Chair : Mr Viv Pepper