

Build Your Own and Your Organisation's Emotional Capital

The primary role of a leader is to create emotional wealth for competitive advantage. When the tools of emotional intelligence are in the hands of leaders, the tools open the doors to the remarkable, creative entrepreneurial energy that exists in all genuine leaders. Leadership is central to unleashing the best performance. Jim Collins book – "Good to Great"¹, cites three elements:

1. Leadership is critical
2. The right people
3. Values – a set of values which people are corporate about, the values that define corporate success

A person's emotional capital is crucial to his or her success. The relationship between success and emotional intelligence has indicated that star performers (people who outperform their peers) score significantly higher on emotional self-awareness, self-actualisation, empathy, inter-personal relationships, flexibility, problem-solving and stress management.²

Emotional intelligence has been called a soft skill, but research shows that it delivers bottom-line business results. "Research has confirmed that emotionally intelligent leaders are indeed more successful than their less emotionally intelligent peers."

Self-awareness lies at the core of emotional intelligence and no truly effective leader operates without self-awareness. This concept was highlighted by the *Harvard Business Review* in an article entitled, "Breakthrough Ideas for Tomorrow's Business Agenda." The article stated, "Executives who fail to develop self-awareness risk falling into an emotionally deadening routine that threatens their true selves. Indeed a reluctance to explore your inner landscape not only weakens your own motivation but can also corrode your ability to inspire others."³

Martyn Newman in his book "Emotional Capitalists"⁴ the New Leaders refers to today's top executives as, "emotional capitalists."

Emotional Capitalists score high on self-reliance, assertiveness and optimism. In other words, high performing leaders are self directed, they take responsibility for themselves, possess an independence of mind in managing their thoughts and values. High performing leaders are able to express their thoughts and feelings in a non-aggressive way; are open to sensing

¹ Good to Great: Why Some Companies Make the Leap... and Others Don't by **Jim Collins**

² D. Rosete and J. Ciarrochi, "Emotional Intelligence and Its Relationship to Workplace

³ Joshua Freedman & Todd Everett "The Business Case for Emotional Intelligence," MBA, October 15, 2008.

⁴ Emotional Capitalist – The New Leaders: Building Emotional Intelligence and Leadership Success by **Martyn Newman, Jossey-Bass**

opportunities; possess the ability to maintain a positive approach and remain persistent even in the face of major challenges.

In terms of business, the three competencies: self-reliance, assertiveness and optimism enable a person to: model self-assured behaviour, communicate a clear view of the organisation's vision and direction, inspire the confidence of others and deal with setbacks in a positive, constructive way.

Research that looked at the predictors of success in the workplace across hundreds of occupations found the one factor of emotional intelligence that consistently showed up, almost regardless of job type was self-actualisation. According to psychologist Steven Stein, there are two components to self-actualisation as a skill. The first involves a person having a passion for what she or he does; the second component involves being well-rounded. In the process of self-actualising a leader builds emotional capital by producing his or her best work, this in turn enables others to believe that they can produce their best, too.

Another factor that differentiates high performing leaders from the rest is their score on self confidence. Effective leaders have high degree of self-confidence. Self confidence is built on the twin emotions of self-liking and self-competence and it determines the quality of a person's relationship.

We build human capital by investing in people to create value. Being able to bring out the best in people is largely based on the expectations we have of them.

Leaders high in empathy understand the task their people must perform and sense the feelings, needs and perspectives of others.

Everyone's emotional intelligence needs are different and different jobs require different levels of emotional intelligence⁵ Jobs even require different aspects of emotional intelligence – for instance, if one works in a job which requires a high level of contact with other people, one may need more of an ability to manage emotions and deal with human dynamics and stresses.

Beacon Organisational development offers systematic assessment of the seven signature strengths of Emotional Capital and their applications to leadership. This system builds on the knowledge that emotional intelligence is made up of flexible skills that can be learned. The Emotional Capital Leadership System is a powerful, proven, seven-step process that leverages these seven conditions to maximise the development of emotional intelligence in leaders.

Tools To Build Your Emotional Capital

1. Emotional Capital Report
2. Emotional Capital 360 Report
3. Emotional Capital Selection Report

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⁵ Martin, J. Yates 1997. Career Smarts: Jobs with a future. Ballantine