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April 2001

Presentation – YEA! Seminar  
What Makes A Leader

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## Proposed Schedule

13.00 – 13.30	3 Mini-Cases
13.30 – 14.15	Presentation “What Makes A Leader”
14.15 – 14.30	Coffee Break
14.30 – 15.15	Presentation “Getting Results”
15.15 – 15.45	Discussion/Workshop
15.45 – 16.00	Coffee Break
16.00 – 16.30	Prepare for Presentation
16.30 – 17.30	Presentation of Each Workshop
17.30	Closing

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## Mini Case – You have to make layoffs

### Background

Your company is in considerable **financial trouble** and for over **9 months** management has been considering **layoffs**. Now it has been decided to **reduce** the number of staff in one plant near **Rayong**. **You** have been chosen to give a speech to the **inform** the workers **how many** of them will be laid off **next** month.

How do you give the speech. What issues do you emphasize?

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## Mini Case - Somchai and the missing report

**Background** You have assigned Somchai to complete and present you with a report on one of your key competitors by 12.00 today. You want to present the report to a management committee at 13.30 and will need around 15 minutes to scan the report and prepare yourself for the meeting.

**Situation** It is 12.30 and Somchai has not brought you the report. You go to Somchai's office and you see that he is talking to a group of co-workers and is about to go to lunch. When you ask him about the report he looks confused and admits that he has forgotten to prepare the report.

What do you do?

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## Mini Case – Somchai and the missing report

### Additional Background

The meeting has been especially convened to for you to present the results of the report. You have invited some very **important** people and **key decision** makers.

What do you do now?

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## Mini Case – Somchai and the missing report

### Additional Background

Somchai who is 25 has been with company for four months.

What do you do now?

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## Mini Case – Somchai and the missing report

### Additional Background

This is not the first time that Somchai has missed a schedule.

What do you do now?

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## Mini Case – Intelligently bad tempered

### Background

One of your reports is a highly **intelligent** manager with great **analytical** capabilities. He has been with your organization for over **two** years and although he has **achieved good results** he is seen to be **very ill-tempered** and **unable to control his emotions**. His staff are **terrified** of him and even go so far as to **hide bad news** from him. He is also seen to be **unable to listen** and continuously **interrupts** people and does **not seem to pay attention** to what they are saying.

What steps would you take?



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## What Makes A Leader?

Research shows that the **most successful leaders** have strengths in the following Emotional Intelligence (EI): **self-awareness, self-regulation, motivation, empathy and social skill**

There are **5 components** to **EI** each of which sound **desirable** to us **individually** but that are too often **discouraged** in organizations

### Self-Management Skills

- Self-Awareness
- Self-Regulation
- Motivation

### Ability to Relate to Others

- Empathy
- Social Skill

### 1. Self-Awareness – or “know thyself”

Definition	Hallmarks
The ability to recognize and understand your moods, emotions, and drives, as well as their effect on others	<ul style="list-style-type: none"><li>➤ Self confidence</li><li>➤ Realistic self-assessment and candor</li><li>➤ Self-deprecating sense of humor</li><li>➤ Thirst for constructive criticism (don't react negatively to criticism)</li></ul>

Decisions are driven by values and goals, they play to their strengths and know

### 2. Self-Regulation – “inner conversation”

Definition	Hallmarks
<ul style="list-style-type: none"><li>➤ The ability to control or redirect biologically driven disruptive impulses and moods</li><li>➤ The propensity to suspend judgment (to think before acting)</li></ul>	<ul style="list-style-type: none"><li>➤ Trustworthiness and integrity</li><li>➤ Comfort with ambiguity</li><li>➤ Openness to change</li><li>➤ Appear reasonable</li></ul>

Feelings are channeled in useful ways and can create an environment of trust and fairness leading to high levels of productivity and enhances integrity

### 3. Motivation – the need to “achieve”

Definition	Hallmarks
<ul style="list-style-type: none"><li>➤ A passion to work for reasons that go beyond money or status</li><li>➤ A propensity to pursue goals with energy and persistence</li></ul>	<ul style="list-style-type: none"><li>➤ Strong drive to achieve</li><li>➤ Optimism, even in the face of failure</li><li>➤ Organizational commitment</li><li>➤ Restless with status quo</li><li>➤ Always ask “why”</li></ul>

The one trait that virtually all leaders have! Because if you set the performance levels high for yourself you will do so for the organization and a drive to surpass goals and an interest in keeping score can be contagious!

### 4. Empathy – understanding others

Definition	Hallmarks
<ul style="list-style-type: none"><li>➤ The ability to understand the emotional makeup of other people</li><li>➤ Skill in treating people according to their emotional reactions</li></ul>	<ul style="list-style-type: none"><li>➤ Expertise in handling and retaining talent (mentoring, coaching)</li><li>➤ Ability to provide effective feedback</li><li>➤ Cross-cultural sensitivity</li><li>➤ Service to clients and customers</li><li>➤ Ability and patience to listen</li></ul>

Thoughtfully considering employees' feelings, along with other factors, in the process of making **intelligent decisions**. Key in the age of teams, cross-cultural business environments and the talent mobility.

### 5. Social Skill – “combining” other EI components

Definition	Hallmarks
<ul style="list-style-type: none"><li>➤ Proficiency in managing relationships and building networks</li><li>➤ An ability to find common ground and build rapport (network in place when action needed)</li></ul>	<ul style="list-style-type: none"><li>➤ Effectiveness in leading change</li><li>➤ Persuasiveness (wielding a range of tactics)</li><li>➤ Expertise in building and leading teams</li></ul>

Allows leaders to put their emotional intelligence to work. It allows leaders to express their empathy and communicate motivation

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## Evaluating EI...The Process

Are there conclusive facts to prove the value of EI?

The skills that drive performance are:

- Technical (accounting, business planning...)
- Cognitive (analytical reasoning...)
- EI (ability to work with others and the effectiveness in driving change)

The study – aim is to create competency models:

- Psychologists asked senior managers to identify traits that define high performing leaders
- Psychologists used objective criteria (profitability) to differentiate stars from average performers
- Stars were interviewed and compared
- Comparisons resulted in lists of ingredients (initiative, strategic vision...) that defined highly effective leaders

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## Evaluating EI...Results

- Intellect is important
- Cognitive thinking such as big-picture thinking and long-term vision were very important

BUT...

Study shows that in a comparison of skills **EI** proves to be **2x as important** as the others (**Technical** skills and **Cognitive** skills) at all job levels...especially at the **highest** levels where **differences** in **technical** skills are **negligible!**



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## Does EI pay-off?

- The comparison of **star** performers with **average** ones in senior leadership positions, nearly **90%** of of the **difference** in their **profiles** was attributable to **EI**!
- Of leaders with a **critical mass** of EI **87%** placed in the **top third** of for annual **salary bonuses**
- Their divisions on average **out-performed** yearly **revenue** targets by **15 – 20%**
- Those executives who **lacked** EI were **rarely** rated as outstanding in their annual performance reviews. Their **divisions under performed** by an average of almost **20%**

EI pays-off **both** for the **company** and the **individual!**

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## Can we learn EI?

Are we born (genetic) with a certain level of empathy or self-awareness or does experience play a role in developing these skills?

The answer is **both!**

- There is a **genetic** component
- EI **increases with age**... We also call this **maturity!**
- EI can be further developed by **training**...

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## What kind of training?

**Conventional** training programs are a waste of time and money...

...because they focus on the **wrong** side of the **brain!**

**EI** is influenced by the **neurotransmitters** of the brains **limbic** system...

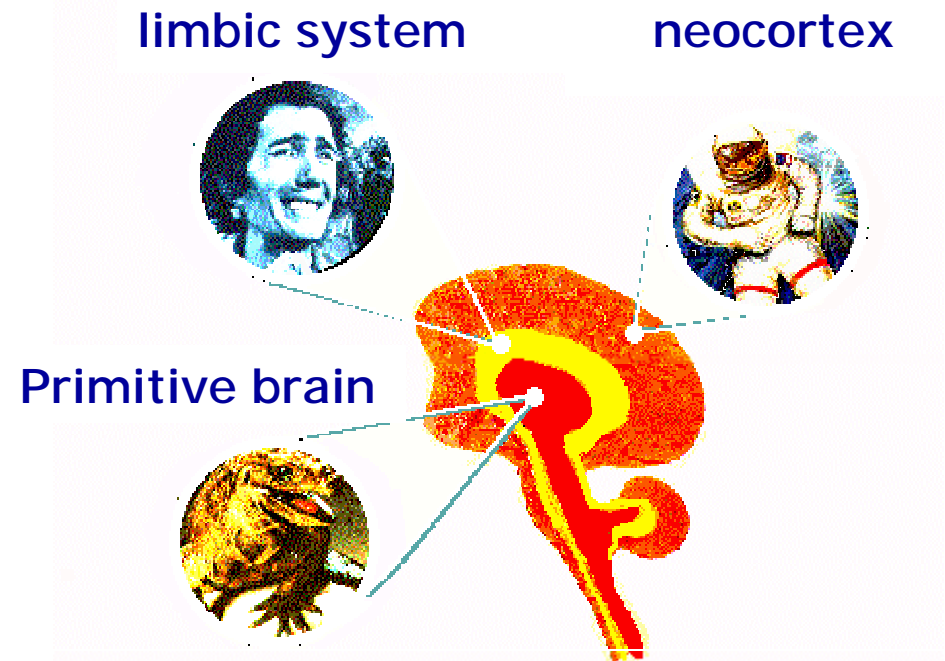
...**but conventional** training programs focus on the **neocortex** which governs **analytical** and **technical** ability!

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## Limbic System Vs. Neocortex

- The **limbic system** (or Lizard Brain) is the area above the brain stem which is quick acting, reflex based, survival trained.
  - The **Neocortex** is the analytical center of the brain which takes in data and stores it in "files," a process which is much like programming a computer (grasping concepts and logic)
- 
- **Primitive brain** influences the drive for self-preservation and aggression



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## How does the limbic system learn?

...through **motivation**, extended **practice**, and **feedback**

Limbic system oriented programs must help people break old habits, and establish new ones (**master new behavior**)...

...**time** consuming and requires an **individualized** approach

A seminar or reading an “EI for Dummies” manual won’t help... it takes deep **commitment** to want to change and a concerted approach over **months**

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## What DO leaders do?

Set strategy

Motivate

Create a mission

Build culture...

## What SHOULD a leader do?

Get **RESULTS...BUT** how?

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## How does a leader get results?

The most effective executives use a collection of distinct **leadership styles** – Each in the **right measure**, at the **right time**

Such **flexibility** is tough to put into action, but **pays off** in performance.

**Leadership styles affect performance!!**

Better yet, it can be **learned!**

## Leadership Styles

Leaders use 6 basic styles of leadership. Each springs from different components of EI.



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## Climate – “Working Environment”

Climate is defined by **6 key factors** that influence a company’s working environment

- Flexibility
- Responsibility
- Standards
- Rewards
- Clarity
- Commitment

Studies show a **direct correlation** between **climate** and **financial results** and account for **ca. 30% of results** along with factors such as **economic conditions** and **competitive dynamics**

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## Six basic styles of leadership and their impact on Climate

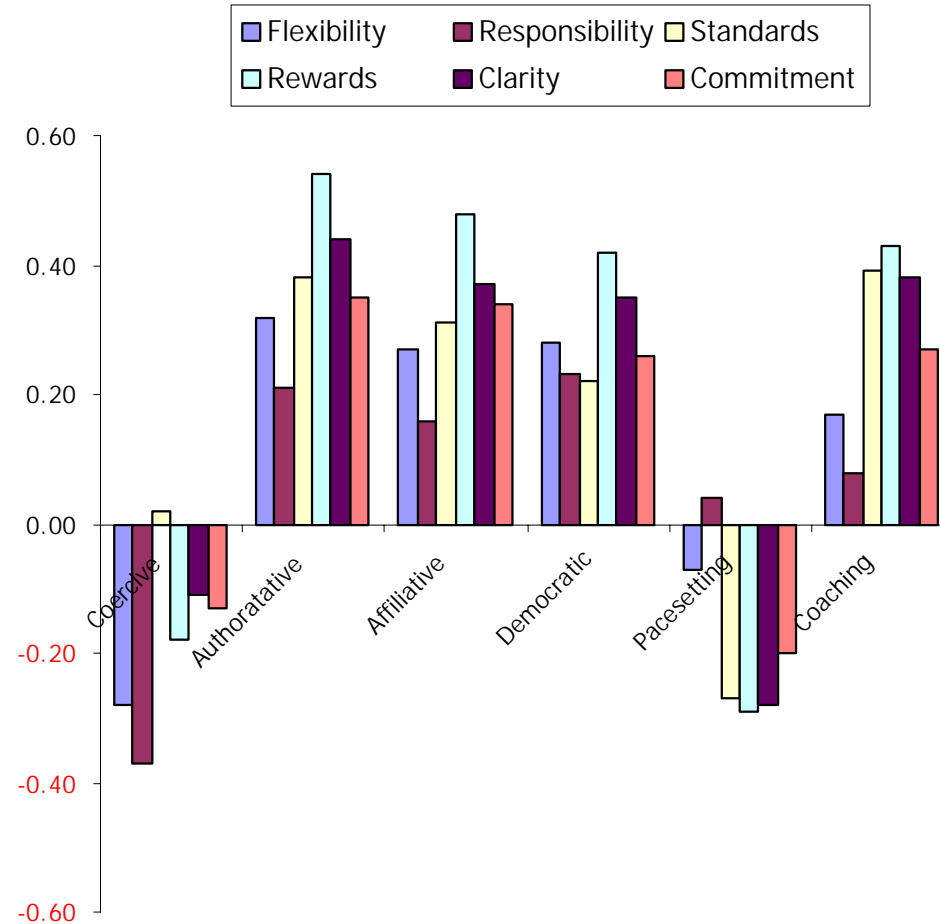
	Coercive	Authoritative	Affiliative	Democratic	Pacesetting	Coaching
<b>Modus operandi</b>	Demands immediate compliance	Mobilizes people toward a vision	Creates harmony and builds emotional bonds	Forges consensus through participation	Sets high standards for performance	Develops people for the future
<b>Style</b>	"Do what i tell you"	"Come with me"	"People come first"	"What do you think"	"Do as i do, now"	"Try this"
<b>Underlying EI competency</b>	Drive to achieve, initiative, self-control	Self-confidence, empathy, change catalyst	Empathy, building relationships, communication	Collaboration, Team leadership, communication	Conscientiousness, drive to achieve, initiative	Developing others, empathy, self-awareness
<b>When the style works best</b>	In a crisis, turnarounds, problem employees	When change requires "new vision", when clear direction is needed	Healing rifts in a team, to motivate people during stressful circumstances	Building buy-in or consensus, to get input from valuable employees	To get quick results from a highly motivated and competent team	To help an employee improve performance or develop long-term strengths
<b>Overall impact on climate</b>	Negative	Most strongly positive	Positive	Positive	Negative	Positive

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The authoritative style has the most positive effect on climate, but the affiliative, democratic and coaching styles follow close behind!

BUT no style should be relied on exclusively and all have short-term values!

	Coercive	Authoritative	Affiliative	Democratic	Pacesetting	Coaching
Flexibility	-0.28	0.32	0.27	0.28	-0.07	0.17
Responsibility	-0.37	0.21	0.16	0.23	0.04	0.08
Standards	0.02	0.38	0.31	0.22	-0.27	0.39
Rewards	-0.18	0.54	0.48	0.42	-0.29	0.43
Clarity	-0.11	0.44	0.37	0.35	-0.28	0.38
Commitment	-0.13	0.35	0.34	0.26	-0.20	0.27



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## Some change examples

- A **pacesetting** leader who wants to use the **affiliative** style more would need to improve his/her level of **empathy** and perhaps skills at **building relationships**
- An **authoritative** leader who wants to add the **democratic** style to his/her repertory may need to work on **collaboration** and **communication** capabilities

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## Key points to remember

- EI can be learned
- EI pays off in performance
- Leadership styles spring from different EI components
- Leadership styles effect performance
- Switch flexibly between leadership styles - all have short-term value