

Developing Emotionally Intelligent Organizations

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Frank Sims was worried as he watched the Roadway truck drive away from the dock. Specialty Glassware (a pseudonym) was one of Roadway's large clients. The damage problems had been getting worse lately. He needed some Pepto Bismol. As he walked to his office, he remembered something from a recent workshop on emotional intelligence. Instead of worrying about the damage and an angry customer, Frank asked himself how he could see this as an opportunity to learn something. He watched another truck being loaded and an idea began to take shape. He thought about the customer and wondered if the dock workers and drivers understood their customer's concerns. He looked for a way to engage more people in solving the customers' problems.

That afternoon, Frank called the Senior Transportation Manager at Specialty Glassware and got his help on the project. They videotaped various operations at the company's distribution center, as well as one of their plants. Michael interviewed laborers and salespeople about their business processes for the video.

Then Frank called a special meeting at the Roadway terminal at 10:00 PM one night. Several of the top executives from Specialty Glassware came for the meeting with

the dock crew. They described their vision, business, and strategy. They talked about their customers, manufacturing processes and value chain. Frank showed the videotape and the crew got to ask questions. At the end, each dock worker was presented with a commemorative mug made by Specialty Glassware.

The dock crew was surprised and impressed that top management from one of Roadway's customers would put so much effort into helping them understand their business. It made them feel good to know how their efforts fit into the big picture. They could see how important the products were and how much care Specialty Glassware put into serving their customer's needs. It made them want to be more careful and find ways to help Specialty Glassware succeed. These meetings became a story workers told new hires as an example of Roadway being a great place to work.

Breakthrough Leadership

Frank's experiment with new ways to be a leader is typical of many innovations going on at Roadway Express Inc. during the last three years. Roadway Express is a trucking company founded in 1930, with over 26,000 employees. They have 379 terminals throughout the U.S. and Canada. Existing in the highly competitive trucking industry, company executives recognized that they needed an enduring strategy to energize their employees around the country and outpace competition in the long run. In 1999, the company partnered with the Weatherhead School of Management at Case Western Reserve University to begin a journey of transformation. A customized leadership development program known as Developing Breakthrough Leadership at

Roadway was launched. The program produced direct and measurable results in the following three years.

As an example of the program's impact occurred with the implementation of a company-wide safety initiative started in 1999. The rollout was so successful that:

- ◆ Roadway saved \$6 million since inception;
- ◆ The number of injuries decreased by 43% annually; and
- ◆ The number of accidents decreased by 41% annually.

Roadway is a different company now. Executives and managers, drivers and dockworkers, union representatives and staff talk excitedly about what it means to work at Roadway. Their excitement is contagious and inspires a new level of confidence in their customers. Jim Staley, Roadway's President, says, "We're convinced we're developing leaders at every level of the organization. That's what we're doing with EI (Emotional Intelligence). We want to not just develop leaders in the senior management team, but at every level...The resonance anybody can create as a leader can improve performance for the individual and the organization."

Here's how they made it all happen. In 1999, company leaders recognized that culturally, Roadway needed to change. The company's culture originated and evolved during decades when management practice was typically more traditional. It was characterized by hierarchy, a command and control style and in recent years average financial performance. Top executives identified that what they needed was breakthroughs -breakthroughs in performance, leadership and management. A vision emerged as "everyone is fully engaged in the success of the company and committed to the success of each other." The leadership program became the launch pad for attuning

key leaders to the vision and enhancing their capabilities to achieve it. The overall objectives were to help managers develop new knowledge, competencies and motivation to pursue their vision and succeed together. Specific goals included:

- ◆ Increasing leaders' self-awareness and emotional intelligence;
- ◆ Positioning leaders to develop leaders at every level;
- ◆ Developing the capabilities of the leadership team to achieve breakthrough performance; and
- ◆ Broadening the participants' understanding of issues that are crucial for long-term economic performance.

A 9-day program was designed and delivered over six months. The approach included a multidisciplinary curriculum, centering on emotional intelligence, strategy, system thinking, marketing, finance and appreciative inquiry, a process for leading change. Participants included key leaders throughout the Roadway organization, most notably the President, Jim Staley.

Creating Better Leaders-- Stimulating More Emotional Intelligence

Thousands of studies have shown that effective leaders use more emotional intelligence competencies every day than others in leadership positions (Goleman, 1998). Emotional intelligence (EI) is defined as a set of competencies that derive from a neural circuitry emanating in the limbic system. These competencies involve self-awareness and self-management. Frank used his awareness of his own worried feelings and willingness to be flexible to stimulate a different way of thinking about the situation. EI also includes social awareness, which Frank used in realizing that the dock workers at Roadway probably did not understand their customer's challenges and concerns. By holding the

meeting and showing the videotape, he helped them to understand Specialty Glassware at a deeper level. The EI competencies are listed in Table 1.

**Table 1. Emotional Intelligence Competencies Related to Outstanding Leadership
(Goleman, Boyatzis and McKee, 2002)**

Personal Competence

The Self-awareness Cluster:

- Emotional self-awareness: recognizing our emotions and their effects
- Accurate self-assessment: knowing one's strengths and limits
- Self-confidence: a strong sense of one's self worth and capabilities

The Self-management Cluster:

- Adaptability: flexibility in dealing with changing situations or obstacles
- Emotional Self-control: inhibiting emotions in service of group or organizational norms
- Initiative: proactive, bias toward action
- Achievement orientation: striving to do better
- Trustworthiness: integrity or consistency with one's values, emotions, and behavior
- Optimism: a positive view of the life and the future

Social Competence

Social Awareness Cluster:

- Empathy: understanding others and taking active interest in their concern
- Service orientation: recognizing and meeting customer's needs
- Organizational awareness: perceives political relationships within the organization

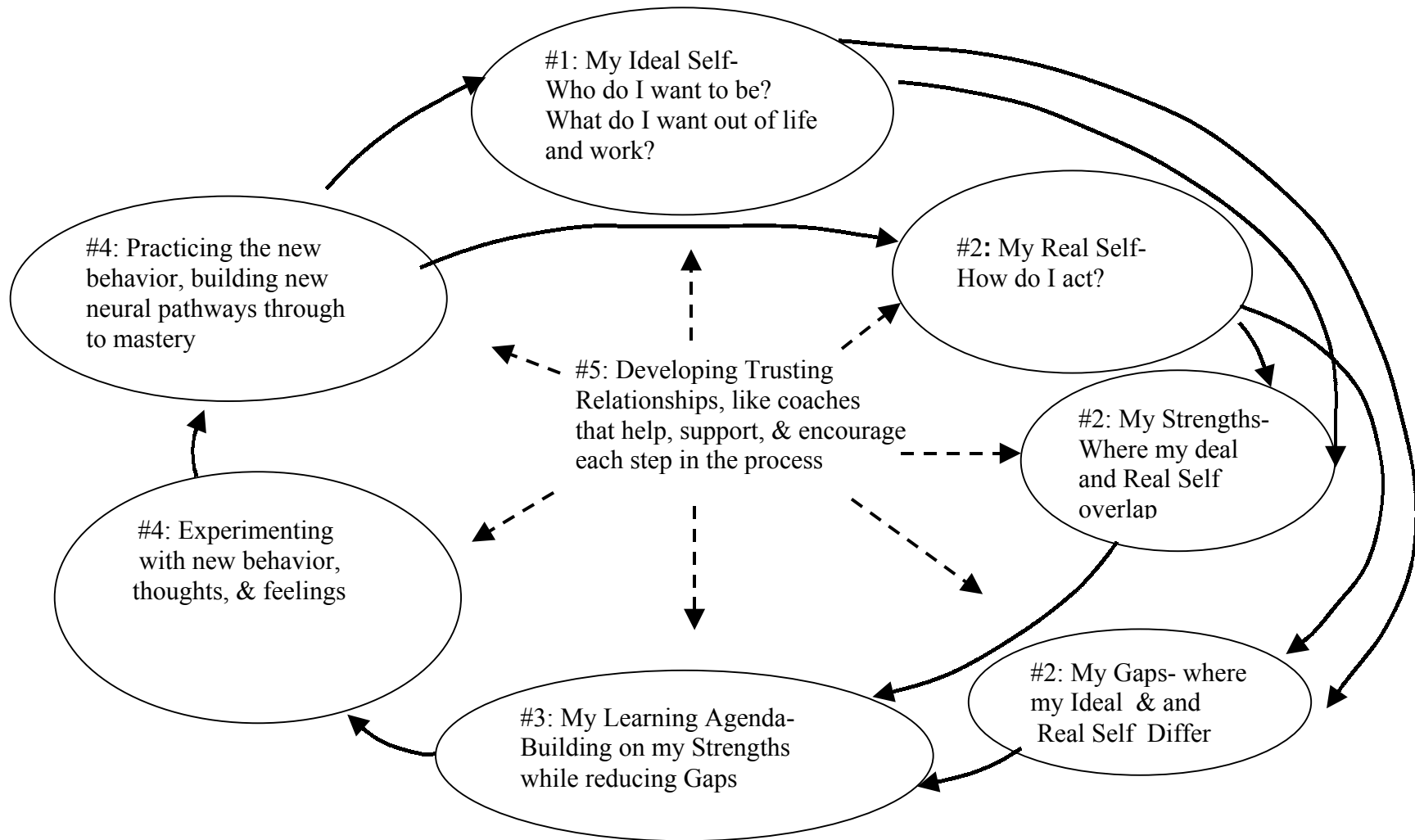
Relationship Management Cluster:

- Inspirational Leadership: inspiring and guiding groups and people
- Developing Others: helping others improve performance
- Change catalyst: initiating or managing change
- Conflict management: resolving disagreements
- Influence: getting others to agree with you
- Teamwork and Collaboration: Building relationships with a creating a shared vision and synergy

The Breakthrough Leadership program adapted a design used successfully in degree programs at The Weatherhead School of Management. The central theme focuses on helping managers identify areas for behavior change, then giving them opportunities to practice new habits real-time. In the degree programs, the results have been extraordinary. Participants have shown a 70% improvement in emotional intelligence competencies one to two years after the program. The changes are sustained at 50% improvement five to seven years later (Boyatzis, Stubbs, and Taylor, in press; Goleman, Boyatzis, and McKee, 2002). These dramatic results are in contrast with the typical impact shown by above average MBA programs of 2% improvement one to two years after a program, and the typical impact of management training showing only 10% improvement three to eighteen months after training in industry (Goleman, Boyatzis, and McKee, 2002).

The program guides each participant through a process of discovery called Self-Directed Learning, shown in Figure 1 (Boyatzis, 1994; Boyatzis, Cowen, and Kolb, 1995; Goleman, Boyatzis, and McKee, 2002). Because of the discontinuous nature of sustained change, the process is experienced as five discoveries. The first discovery is one's Ideal Self, that is what he/she wants out of life and work- what his/her dreams and aspirations are. This helps each person discover or rediscover his or her passion at work. This energy becomes the driving motivation for making changes in their leadership behavior. After a number of exercises, each person develops a Personal Vision statement describing their Ideal Self.

Figure 1. Boyatzis' Theory of Self-Directed Learning (Goleman, Boyatzis, and McKee, 2002)



Following development of the ideal, each participant works toward the second discovery, awareness of his or her Real Self. After receiving feedback from a 360 assessment of emotional intelligence competencies, participants analyze the results with personal coaches. In the context of their Ideal Self, this view of their Real Self allows them to develop a Personal Balance Sheet. The Personal Balance Sheet provides a view of their distinctive strengths, gaps (or weaknesses) close to the tipping point of effectiveness, and those gaps further from the tipping point.

With the help of coaches, each person converts their Personal Vision and Balance Sheet into a Learning Plan for their development as a leader-- this is the third discovery in the process. The plan provides a focus for their future efforts. It provokes them to think of how to use their day-to-day and week-to-week experiences as the basis for learning. In this sense, the plan helps each person convert their life and work activities into a learning laboratory. The planning is slightly different from typical methods because each person is encouraged to use their own style in planning (not imposing a one planning method for all), learning style preferences and flexibility, and structure of their life style. The experimentation and practice occurs on the job, as evident in Frank's experience. These constitute the fourth discovery.

The fifth discovery in the process is actually a continuous discovery throughout the entire process-- the development of trusting relationships that help and encourage the person at each step in the process. It is here that coaches become so crucial to change. The coaches help a person reflect and develop their dreams and aspirations, look at the way they come across to others, identify strengths and weaknesses and overcome blind spots in their leadership style. The coach helps the person "reality test" their learning

plan. This includes finding ways to work on the goals during their typical work and life experiences, anticipating likely obstacles and considering ways to overcome them.

During the experimentation and practice, coaches help a person keep track of and reward progress. They can serve as a reminder or a cheerleader.

Creating an Exciting Culture

The ultimate goal of the Breakthrough Leadership initiative was cultural transformation. As the executives of Roadway described it, they wanted everyone to “understand both the big picture (i.e., how Roadway will be successful) and their personal role in the big picture (how does their role affect the customers and the financial results). That is referred to as ‘line of sight.’ Ultimately, each employee must be able to link his/her actions to the financial results of the organization.”

To extend application of the Breakthrough Leadership Program into changing the culture, Roadway and Weatherhead started a process called Engagement Through Education in the Fundamentals of Business (EEFB). It followed the same self-directed learning model of change described earlier at the organizational level. Using Appreciative Inquiry (Cooperrider and Srivastva, 1990) to convene large group meetings, people were brought together to discover and articulate their organizational “Ideal”. They told stories about times when they were at their best and proud to be a part of Roadway, times when they served their customers, and made money. They also examined how the company is doing on numerous dimensions (i.e., looking at the “Real” organization).

The meetings were called Summits. Each Summit was organized around a major terminal. They identified a business topic of current importance, such as “Delivering

unsurpassed speed and leveraging employee pride and involvement,” or “developing a Team Sell approach.” They invited people from all of the stakeholder groups involved in this topic. Groups of 200-300 people met for several days. They identified their organizational Strengths and Gaps related to the shared Ideal.

At the end of the Summit, they broke into small groups to analyze a better way for Roadway to address the overall theme. They developed a Learning Agenda for the company about an aspect of theme of that Summit. The study groups, or action learning teams, met regularly to analyze the specific issue over several months. To model effective large group management, the last segment of each Summit was spent discussing how well time was used and participants’ reactions to the Summits. These were emotional and exciting moments when truck drivers and business managers would talk about how proud they were to be in a company that asked for their views and cared about their approach to the future of the company.

As they worked in action learning teams, they practiced new leadership behavior using emotional intelligence, meanwhile experimenting and practicing new organizational norms. They are developing their new culture while solving real problems. They are also forming trusting relationships that are the basis for a new Roadway culture.

An example of how the culture changed and new leadership emerged was evident in an incident in which a mechanic and a driver discovered a way to save the company \$130,000 per year on one route. Remembering that the company has 379 terminals, each with numerous routes, they expect dramatic savings for this one incident alone.

A mechanic, a driver and the terminal manager discussed the problem of delays in getting the drivers on the road. Overweight shipments forced the dock workers to unload

some of the freight to get within required weight limits. This took time and cost the company money as drivers sat waiting, with possible cascade effects on delaying other shipments. Coming from a Summit, the mechanic and the driver felt inspired to take initiative, to think for themselves and figure it out. They started analyzing the situation that evening. Sitting in the mechanic's kitchen, with post-it notes, they mapped out the process and issues. They decided to bring others from the terminal into the discussion and invited them to his home the next evening.

After several meetings, his kitchen looked like it had new wallpaper. His wife thought it was annoying but deferred to his enthusiasm and let him continue to use the kitchen as his workroom. They finally realized that the problem was related to the new trucks. But the goods being shipped had similar weights and the various trucks were just about the same weight. Sitting around the kitchen table late one night, staring at the wall of yellow notes, they realized that the new trucks had larger fuel tanks. Their practice of always topping off the tanks was leading to greater weight of the truck and its fuel. That left less weight allowance for the freight. Some calculations about their typical routes revealed that they could make the deliveries by filling the tanks to three quarters and use the remaining weight for freight. The mechanic and driver felt responsible for helping Roadway be as efficient, and therefore profitable, as possible. Their sense of ownership and engagement was a direct result of the EEFB process.

Transformation Through Executive Education

Roadway feels like a new company in an old business. The results of the Breakthrough Leadership program have been dramatic for the company. The people of

Roadway have gotten excited about being leaders. Through working on their emotional intelligence, they have expanded the possibilities for their personal impact. Its effect has been contagious. Inspiration and energy have spread throughout the company. A new culture has emerged, one in which people are motivated and innovative. Their customers are excited about the change as well. The new Roadway is surpassing many of their competitors in revenue and net profit growth through savvy acquisitions, cost savings, and an atmosphere of excitement, especially during a period that has not been kind to the industry.

Does this story remind you of your recent executive education experience or leadership and organization development programs? If so, we offer this story as affirmation and encouragement to continue. If it does not, we encourage you to consider the power of emotional intelligence to ignite excitement in your organization. You will be amazed at the results!

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