



PROACTION – Generating Best Practices

The Art of Positive Leadership Emotions

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Article Summary:

This paper details extensive research that validates a cause-effect connection between positive emotional states by leaders and improved performance by those they are leading. It can also be subtitled “What is Your Attribution Style?” Key topics include:

- Background
- What is Attributional Style?
- What are Attributional Errors?
- Research & resources

Background

Everyone knows that when people feel good, they work better, are more creative and more productive. The ability to inspire positive feelings in others is a key leadership quality. Good feelings are to the brain what a lube and oil job is to an engine. Good feelings cause mental



efficiency to go up, memory is sharpened, and people can understand directions and make better decisions.

One study of 62 CEOs and their top management teams assessed how upbeat they were – how enthusiastic, energetic and determined they were. They were also asked how much conflict and tumult the top team experienced in the form of personality clashes, anger and friction in meetings and emotional conflicts (in contrast to disagreements about ideas). The study found that the more positive the overall moods of people in the top management team, the more cooperatively they worked together – and the better the company's business results. The longer a company was run by a management team that did not get along, the poorer that company's market returns.

The challenge for leaders is obtaining a balance between workers feeling good, having satisfying relationships, and keeping their focus on performance goals. The ability of a leader to foster group enthusiasm can determine its success. Conversely, emotional conflicts in a group take time, attention and energy away from shared tasks and performance suffers.

Executive coaching can help a leader communicate feelings that are realistic and authentic, maintain positive emotions in the face of stressful challenges, and inspire energy and enthusiasm. Acquiring realistic optimism and improving one's Attributional Style can help a leader discover how to do this. Improving one's conscious awareness of Attributional Style and common attributional errors will increase one's ability to experience and sustain positive emotions.

Common wisdom would predict that employees who feel good will likely make more efforts to please customers, thus, produce increased revenues. Since emotions are contagious, then all leaders, whether CEO, manager or head of a team, have a larger responsibility for creating and sustaining moods of employees. Leaders can, by managing their own moods, drive service climate and influence employees to go the extra mile to satisfy customers.

Studies have actually produced data to prove how important a positive climate is in creating good business results. At a global food and beverage company, positive climate readings predicted higher yearly earnings at a major division. In a study of nineteen insurance companies, the climate created by the CEOs among their direct reports predicted the business performance of the entire organization, in that, in 75 percent of the cases, climate alone accurately sorted companies into high versus low profits and growth.

Another study shows that for every 1 percent improvement in the service climate, there's a 2 percent increase in revenue. According to Goleman, Boyatzis and McKee in *Primal Leadership* (2002), how people feel about working at a company can account for 20 to 30 percent of business performance.

Climate alone does not in and of itself determine performance. The factors are notoriously complex. But if climate is such a big determinant, what then drives climate? According to well-documented research from both the Gallup Organization and the Hay Group, roughly 50 to 70 percent of how employees perceive their organization's climate can be traced to the actions of one person: the leader. *More than anyone else, the person in charge creates the conditions that*



directly affect people's moods at work and ultimately their ability to work well together and create satisfied customers.

Leaders' emotional states affect, to a much greater degree than was previously thought, how their people will feel and therefore perform. It becomes imperative that managers and leaders manage their moods and feelings well, as their emotional intelligence becomes more important at higher levels in the organizational hierarchy.

What, then, can leaders do to increase the probability of experiencing frequent positive emotions – enthusiasm, energy and engagement – in themselves and in the people who work for them?

Increasingly, companies are seeing the benefits of providing executive coaching to top managers and high performers. Many of the more successful coaches have been trained in emotional intelligence, and are experienced in “E.I.” assessments and research, for example, those provided by the Hay Group, www.EISGlobal.com, or Multi Health Systems, www.mhs.com. Working with a coach who is skilled at giving feedback on the emotional competencies is a good approach for developing positive feelings and creating them in others.

In particular, there are two important concepts an executive coach considers when working on developing authentic positive emotions: optimism and attributional style.

What is Attributional Style?

The key to developing the capacity for realistic optimism lies in one's *attributional or explanatory style*: the way one explains good or bad events – what is your rationale related to this event or that one? How do you explain it? What are the contributing factors?

Everyone has a habitual way of explaining events. This usually happens in split seconds, often out of conscious awareness. Increasing awareness of attributional style is a good way to increase one's choice of thinking about events, and thus, one's choice of feelings. For example:

- Do you take credit for your successes or tend not to?
- Do you look outside of yourself to assign blame or look within to see where you have responsibility?
- Do you give general reasons for good events or give reasons specific to the situation?
- Do you tend to look for transient reasons for bad events or believe the cause to be permanent?

Each person's complex pattern of explanations is influenced by their attributional style. There are six Attributional Styles in explaining events:

1. Internal or
2. External
3. Specific or
4. Global



5. Temporary or
6. Permanent

Optimists explain the events in their lives in a particular attributional style: When optimists experience negative events they think "it's temporary, and it's only for this particular event, and I'm not the cause of it." When optimists experience positive events they think "it's permanent, and it's for all life events, and I'm the cause of it."

Optimists and pessimists differ in that they explain life events differently. An optimist explains the cause of good life events as being permanent, global and internal (e.g., "I succeeded because I'm good."), and the cause of bad life events as being temporary, specific and external (e.g., "I failed because that assessment was only examining one part of my ability and it was too difficult.").

A person who looks at their attributions can consider other perspectives and by doing so, create more positive feelings. The Attributional Style Questionnaire is the result of years of research by Professor Martin Seligman of the University of Pennsylvania. It is based on the results of over 100 research studies with 15,000 people. It can be taken online in the form of the Optimism Test at www.authentichappiness.org.

Again, working on these concepts is more effective when working with a coach who is competent in giving feedback on the emotional competencies. The challenge in helping leaders to develop their capacities for emotional intelligence is that usually, by the time they are promoted to top positions, they already have a good understanding of human emotions and already are skilled in optimism and positive emotions. Raising conscious awareness of the complexities of human emotions – their own and those they lead – in order to improve business results is challenging. Research has shown that working with a trained executive coach can result in a 547% r-o-i. Only in partnership with a skilled professional are results achieved. Improved emotional intelligence, i.e. an increase in realistic optimism and positive emotions, has been shown to lead to improved climate and good business results. Everyone can improve their capacity to create positive emotions, no matter what their level, even when faced with stressful challenges.

What are Attributional Errors?

Equally important when discussing Attributional Style, is to remind leaders of research about common attributional errors that can lead to faulty thinking and errors in causal analysis. There is a tendency in individuals to exaggerate their own talents – to believe they are above average in their endowment of positive traits and abilities.

The inclination to exaggerate one's own talents is amplified by our tendency to misperceive the causes of certain events. The typical pattern of such attribution errors is for people to take credit for positive outcomes and to attribute negative outcomes to external factors, no matter what their true cause. One study of letters to shareholders in annual reports, for example, found that executives tend to attribute favorable outcomes to factors under their control, such as their



corporate strategy or their R & D programs. Unfavorable outcomes are attributed to uncontrollable external factors such as weather or inflation.

There is also a large body of research that shows that people tend to exaggerate the degree of control they have over events, discounting the role of luck. Business leaders routinely exaggerate their personal abilities, especially for hard-to-measure traits like managerial skill. They also are prone to thinking that they are in control more than they actually may be. Relying on an idealized self-image, some executives really believe that they are in control of both people and events, minimizing the role of random events and uncontrollable circumstances that may impede successful goal completion.

These cognitive biases, in the form of attribution errors, are important concepts to consider when developing realistic yet positive emotions. Keeping employees happy and feeling good starts with developing one's own conscious awareness of feelings and thoughts. A leader is responsible for creating positive emotions that can drive the energetic climate that leads to business results. Even in the bleakest of economic situations, especially then, a leader must find authentic and realistic optimism to drive the climate that will lead employees to work together successfully. Coaching interventions has shown as much as a 77% improvement in internal relationships.

The Power of Positive Psychology: Authentic Happiness

Martin E.P. Seligman introduces the foundation for a theory of Positive Psychology in his book, *Authentic Happiness* (Free Press, 2002). Scientifically based, it is a contrast to other theories of psychology. For example, Freud put forth that our feelings arise from unconscious conflicts experienced in early infancy and therefore our personalities are determined by such experiences. Seligman posits that we have more choice and control over how we feel and behave, and our capacity to experience positive emotions can be developed. He teaches that happiness can be cultivated by identifying and using many of the strengths and traits that one already possesses – including kindness, originality, humor, optimism, and generosity. By frequently calling upon one's signature strengths in all crucial realms of life, people not only develop natural buffers against misfortune and the experience of negative emotion, they move their lives up to a new more positive plane.

Seligman provides the *Signature Strengths Survey* on his web site, along with a variety of brief tests on such things as happiness, gratitude, work-life satisfaction, close relationships, emotions, and motivations, at www.authentic happiness.org, so that people can measure how much positive emotion they experience. The lesson in his book and on the website, is that by identifying the very best in ourselves, we can improve the world around us and achieve new and sustainable levels of authentic contentment, gratification and meaning.

Dr. Seligman is the Fox Leadership Professor of Psychology at the University of Pennsylvania, the director of the Positive Psychology Network, and former president of the American Psychological Association.



Resources for Positive Emotions & Attributional Style

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