

Leading with EI: A visit with Chad Holliday

What does emotional intelligence look like? Who has it? Even more important, can you succeed without it? We asked, and DuPont's chairman was game to answer.

INTERVIEW BY JACK RODDY

WHAT MAKES LEADERS EFFECTIVE in their function? “The most recent research shows that emotional intelligence factors, more than any others, account for successful execution for leaders in major organizations,” states Jack Roddy. Over the course of his almost 30 years in running J.P. Roddy Consultants (www.jproddy.com), a firm that specializes in recruiting leadership candidates for the automotive, transportation, plastics, and chemical industries, Roddy has been an avid analyzer of the dynamics of what he terms “human asset leadership.” Earlier this year he visited with Charles O. “Chad” Holliday Jr. to jointly explore EI

and its “major domains” — which Roddy identifies as “self-awareness, self-management, social awareness, and relationship management” (see sidebar on page 34 for a more detailed description of these components). Holliday led DuPont Co. as its CEO from 1998 until he retired from that position on Jan. 1, 2009. As this article was going to press, it was announced that he will retire as chairman of DuPont at the end of 2009 after 10 years in that position. (His career with DuPont traces back to a summer internship while in college; he was then hired in 1970 as an engineer in a company plastics factory in Tennessee.) Holliday’s current corporate directorships include Bank of America (a board he joined in September 2009) and Deere & Co., and he chairs the U.S. Council on Competitiveness. Excerpts from Roddy and Holliday’s discussion follow.

— James Kristie



Jack Roddy

Jack Roddy: *How would you evaluate emotional intelligence skills as a factor in effective leadership?*

Chad Holliday: Any good leader will have a strong arsenal of people skills, which is what emotional intelligence is all about, right? Actually they can lack much of the technical skills yet be successful as a leader with effective emotional intelligence characteristics.

Is emotional self-awareness important to leadership success — by that I mean reading one’s own emotions and being aware of their impact on self and others?

Yes. At DuPont we teach what we call “self-observation.” If you have a strong reaction to a situation, rather than react immediately, we teach the proverbial count to 10 before you do anything. Then

observe yourself and your feelings and gain support before making any decision. People learn to see themselves from a third position before reacting, and this gives them a much fuller responsiveness after strong feelings have time to settle.

How important is a leader’s ability to accurately assess his or her own strengths and limitations?

It is extremely important. For myself, I use my heads of finance and human resources to give me feedback on my performance, ideas, and whatever else they observe that needs further delineation. I could never know what to do by myself. They provide feedback for blind spots that keep me from seeing more clearly in any given situation. Every leader needs this ongoing feedback.

What are your thoughts regarding “transparency” as a leadership trait?

With the pace of today's world, no one can keep up with all the data necessary for a complete objective decision-making process. Therefore trustworthiness is very important within a board or committee to garner from others when presenting data related to an eventual decision. Also, people are going to feel much more comfortable with you as a leader if they see you as honest and trustworthy with them. The term "straight shooter" is often used to describe this trait.

How about the trait of adaptability for a leader? How would you rate that trait? Put another way, a leader's comfort with spontaneity versus controlling everything that might happen?

My style has always been to be spontaneous as a way of managing in a meeting or other situation. I find myself constantly asking, "Am I listening well? What is this person saying that I need to hear?" I believe being comfortable with spontaneity is important for a good leader. I remember once we were considering an acquisition and we were far along the way to going forward with a positive decision. Then suddenly someone asked a new question about certain factors. This opened up a whole new way of looking at the acquisition such that we said to ourselves, "What did we miss that caused us to move this far without seeing another important viewpoint?" Ultimately, we decided against the acquisition, which was the right decision, yet we almost missed the boat on that one due to singular direction thinking. The fact we were open to new questions helped us to make the right decision.

I would like to discuss your attitude towards "empathy" as a leadership quality. Is it important for an effective leader?

This trait is where people feel that you really care about them and their needs. You must be able to relate to them, especially in terms of being in harmony with what they are doing. Everything is somewhat "viewpoint dependent," such that I must understand the terms they use and use those terms with them. Facts are facts, yet a leader's job is to see how someone else is looking differently at the same facts from their viewpoint. Eventually you can come to a position whereby you are being most persuasive with them for the right reasons that they can relate to.

How important is organizational awareness for a leader — reading the currents, decision networks, and the politics at the organizational level?



I find myself constantly asking, 'Am I listening well?'

— Chad Holliday

A story comes to mind from my own career. I was 10 years or so into my career and was running a portion of a plant when the plant manager walked into my office one day and said, "Tell me about your organization." I immediately reached into my drawer and pulled out an organizational chart. He said, "I don't mean that. I mean the real organization. Who are the people that really are the opinion leaders? How do you really get stuff done around here?" That was a very meaningful experience to me. When you talk to the leaders who are really savvy, they will know who the opinion leaders are. They will know who you have to win over to make it work. The best leaders will know who you have to go through to make your ideas work.

Is inspirational leadership important? If so, how does it play out within the organization?

Sometimes there will be situations that are just right for an inspiring moment or speech, yet some good leaders are just not right for that. If you try to be inspirational and it doesn't work, it can be a real disaster. I have known some great leaders who couldn't make an inspiring speech or have a clever concept if their life depended on it, but yet they are so rock solid and respected so much that they didn't need to be inspirational. They had such high integrity and such commitment and support of their people that they didn't need anything else.

You may notice in your search work that sometimes a candidate can be great in an interview and yet he/she is not nearly the right candidate for the job. Sometimes it is a compensatory trait to make up for a shortcoming in substance. We have the

example of some TV infomercials that are smooth as silk in the "selling" for what are inferior products.

How important is "tone" set by the leader to the organization?

Tone is extremely important to the organization's disposition. However, if the leader's tone

does not (in some way) match the current tone of the employees then dissonance sets in and empathy is lost. The effective leader must always know the overall tone the people are holding to at that moment. If the firm recently announced a 15% layoff effective immediately, the tone of the workforce is going to be one of sadness and anxiety. The leader needs to be aware of that tone and be with people in their feelings.

How important is organizational awareness?

Early in my career when I was a plant manager, I would walk the floor for the first two hours each day and greet all the workers and chat with each of them about what was on their minds. This practice helped me greatly in staying attuned to their concerns and questions about their work. Further, it helped me build a lasting relationship with them. This gave me an overall awareness that allowed me to stay in harmony with their thinking and their motivations.

How does leadership show up in board meetings?

The best board directors are often the most quiet members. Yet, when they do speak up they are concise, practical, and what they have to say makes great sense. They are great listeners and they keep

track of everything that is going on even while being quiet.

As chairman of the board, do you look for certain leadership characteristics when selecting new directors?

I always want more diversity on my board. Not just ethnic diversity, but functional diversity in the directors' backgrounds and experience. It is important for us to value different points of view. As leaders we must appreciate a director's viewpoint, especially when it doesn't match ours. I also want independent thinkers, as opposed to people who have a need to fit in and please others.

One last factor in leadership: Do you see the development of others as a responsibility of a leader? That is, how important do you view mentoring subordinates in developing their abilities as leaders?

I see mentoring as vastly critical. At DuPont what I see as most effective is in those unique times when we get to mentor another because something happened to create an opportunity. Like a three-minute comment that was just in the right context. We must seize those times to give people feedback just when they need it, or getting it just when I need it. This is much more effective than creating some formal (every six weeks, for instance) meeting to mentor someone or be mentored by someone.

I remember a time when this guy who was probably 30 years older than me kind of put his arm around me as we walked down the plant floor and said, "Now this is what you really need to be doing here. ..." I'll never forget that because I knew it was sincere. I respected him greatly. I could do some things better than him, but he could do a whole lot more things better than me. This talk he gave me was an area that I knew he was good at, so in that moment I knew this was valuable.

Thank goodness you had the wherewithal to see the value in that moment.

Yes, but it had to be the right setting. He could have said the same thing in another setting and it might not have stuck with me. I find that it's very important to seize those opportunities when there is something like that going on whereby a teaching/learning opportunity is ripe for the plucking. When I received an award from the chemical industry this year, a piece of advice I shared was to approach every situation in a way that everyone in the world is better than me at something. My objective is not to show everyone how smart I am but to

'The best board directors are often the most quiet members.'

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The essence of EI

Emotional intelligence (EI) is the unique repertoire of emotional skills that a person uses to navigate the everyday challenges of life. In his book, *Emotional Intelligence: Why It Can Matter More Than IQ*, Daniel Goleman defines EI as “the capacity for recognizing our own feelings and those of others, for motivating ourselves and for managing emotions well in ourselves and in our relationships.” Goleman’s book not only increased the popularity of EI among business leaders, but also turned EI into a household term. Research has demon-

strated that emotional intelligence is a far more accurate predictor of success than an individual’s IQ. Even more significant is its accurate prediction of factors related to leadership potential and success.

Here is a summary of the domains of EI. Using the management of self and others, Chad Holliday, as reflected in his comments in the accompanying article, is sensitive to EI’s importance to a leader’s character and exemplified how emotional competencies have factored in his career at DuPont.

— Jack Roddy

EI’s domains are twofold

PERSONAL COMPETENCE —

These capabilities determine how we manage ourselves:

• Self-Awareness

- ✓ **Emotional self-awareness:** Reading one’s own emotions and recognizing their impact; using “gut sense” to guide decisions.
- ✓ **Accurate self-assessment:** Knowing one’s strengths and limits.
- ✓ **Self-confidence:** A sound sense of one’s self worth and capabilities.

• Self-Management

- ✓ **Emotional self-control:** Keeping disruptive emotions and impulses under control.
- ✓ **Transparency:** Displaying honesty and integrity; trustworthiness.
- ✓ **Adaptability:** Flexibility in adapting to changing situations or overcoming obstacles.
- ✓ **Achievement:** The drive to improve performance to meet inner standards of excellence.
- ✓ **Initiative:** Readiness to act and seize opportunities.
- ✓ **Optimism:** Seeing the upside in events.

SOCIAL COMPETENCE —

These capabilities determine how we manage relationships:

• Social Awareness

- ✓ **Empathy:** Sensing others’ emotions, understanding their perspective, and taking active interest in their concerns.
- ✓ **Organizational Awareness:** Reading the currents, decision networks, and politics at the organizational level.
- ✓ **Service:** Recognizing and meeting follower, client, and customer needs.

• Relationship Management

- ✓ **Inspirational leadership:** Guiding and motivating with a compelling vision.
- ✓ **Influence:** Wielding a range of tactics for persuasion.
- ✓ **Developing others:** Bolstering others’ abilities through feedback and guidance.
- ✓ **Change catalyst:** Initiating, managing, and leading in a new direction.
- ✓ **Conflict management:** Resolving disagreements.
- ✓ **Building bonds:** Cultivating and maintaining a web of relationships.
- ✓ **Teamwork and collaboration:** Cooperation and team building.

learn something from every individual I encounter.

As a closing question on corporate leadership, given the contracting of our economy do you see a paradigm shift in values developing, especially in our U.S. culture, around consumption —automobile consumption, housing consumption, etc.?

I think it has to shift. We are just not going to have the wealth as a country. Let’s look at an example. If I’ve got just as talented and trained a person in India or China, how come an American makes three times as much doing the same job? When you can move that knowledge from around the world, it doesn’t make sense.

So we are going to have to somehow adjust. I do a lot of work with greenhouse gases. The Chinese, Japanese, and Koreans are living in 20% of the square feet that an American is. When we say that we need more greenhouse gas allowances, they say, “Well, how come? Why do you need a bigger house than me?” As we come out of this economy, our cars are going to be smaller and more efficient, not just for a short period of time but forever. Our houses are going to be smaller but also more efficient. It doesn’t mean they have to be less desirable, but definitely smaller.

As to your question, is our leadership at that point in its thinking and values? It is too early to call right now. Maybe 5% to 10% so far are there. Will the mass of the population move in that direction? I believe it’s not a sure thing yet. The greenhouse gas story is complex. What is going to happen with climate change if we don’t do something? Our culture is such that if there is *no pain to me* then go fix climate change if you want to, but if I have to do something different, like pay \$5 a gallon for gas, well, that’s a different story. With our political context being what it is, politicians wouldn’t get behind the idea because the voters won’t back them. There is a bill in Congress so we will know something about mass attitudes soon enough. ■

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