

The Influence of Strategic Human Resource Management on Emotional Competencies

Zawahir Siddique*

This paper explores the powerful implications of Strategic Human Resource Management on Emotional Competencies. The case for Emotional Intelligence [EI] as a predictor of success over IQ has been substantiated for over a decade now. Increasing number of successful organizations around the globe has been relying on Emotional Intelligence Competency [EIC] Models to distinguish star performers over ordinary performers at every level of the organization. Unfortunately, typical HR selection processes tend to focus on knowledge, qualification, skills and experience displayed in the Resume. Though these are important baseline factors, rarely do they differentiate ordinary performers from outstanding ones. Any organization seeking an environment that reinforces, encourages and supports the self-directed development process cannot escape the revolutionary implications of Emotional Intelligence Competency embedded HR System.

Field of Research: Human Resource Management

1. Introduction

Human Resource Management has witnessed a paradigm shift ever since the emergence of a strategic element in its domain. New economic realities infused tremendous pressures on HR in the 1990s to widen its focus from the more traditional administrative perspective to a broader strategic role. The primary source of production in our economy has as well shifted from physical to intellectual capital. The new economic paradigm is ruled by innovation and quality consciousness highlighting the importance of intangible assets such as brand recognition and knowledge management. And this new paradigm sets the pace for the golden era of Human Resource Management.

This paper also attempts to link another powerful paradigm (Emotional Intelligence) that evolved in the 1990s, almost the same era as the evolution of Strategic Human Resource Management. A model of Emotional Intelligence and Organizational Effectiveness has been proposed with purposeful intent. Innovative frameworks of emotional competencies in empowering HR systems along the length and breadth of workplaces around the globe are explored.

*Zawahir Siddique, Assistant Professor, M.S. Ramaiah Institute of Management, Bangalore, India
Email: zawahirs@yahoo.com

2. The HR-EI Synergy

The evolutionary journey of Strategic Human Resource Management was propelled in the 1990s. Interestingly the Emotional Intelligence paradigm also captured a wide audience in almost the same era. The shift of HR from a more administrative to a broader strategic role coincided with EQ replacing IQ as the dominant predictor of workplace success. These two parallel, yet significant and transformational, evolutions emphasize on the relevance of intangible assets over tangible assets. The figure below depicts the impact of these developments on human resource management.

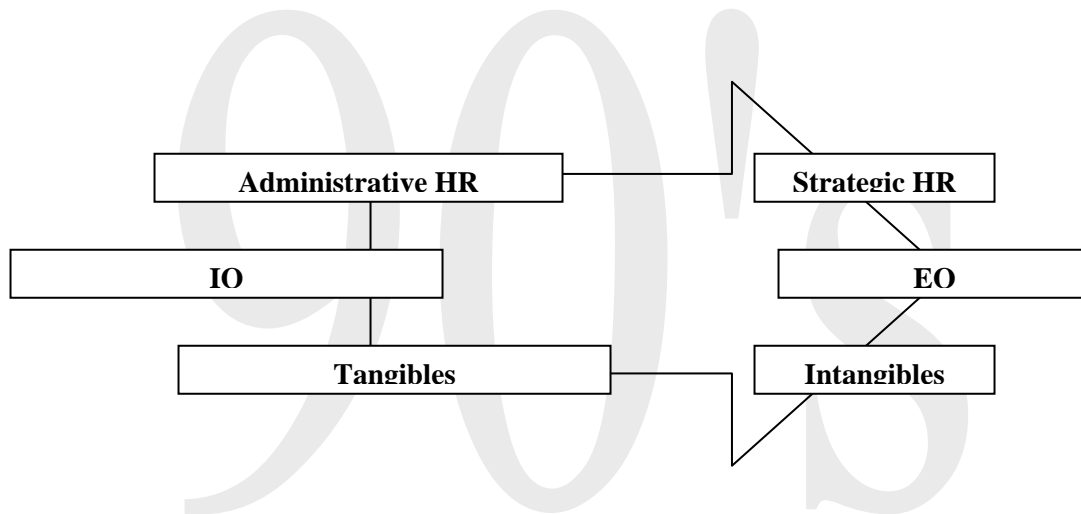


Figure-1: HR-EI Synergy

3. The New Economic Paradigm

New economic realities are putting pressure on HR to widen its focus from the administrative role it has traditionally played to a broader strategic role. This new paradigm marks the golden era for HR.

The emerging strategic potential of HR hinges on the increasingly central role of intangible assets and intellectual capital in today's economy (Becker, Huselid and Ulrich, 2001). Table-1 below depicts the major differences between tangible and intangible assets. It also suggests that managing intangible assets requires vastly different skills from those needed to manage tangible assets. The benefits of HR as an asset are not always visible. And they come to light only when the HR role is skillfully aligned with another intangible asset: the organization's strategy implementation system.

Tangible Assets	Intangible Assets
Readily Visible	Invisible
Rigorously Quantified	Difficult to Quantify
Part of the Balance Sheet	Not tracked through Accounting
Investment produces known returns	Assessment based on assumptions
Can be easily duplicated	Cannot be bought or duplicated
Depreciates with use	Appreciates with purposeful use
Has finite applications	Has multiple applications without value reduction
Best managed with “scarcity” mentality	Best managed with “abundance” mentality
Best leveraged through control	Best leveraged through alignment
Can be accumulated and stored	Dynamic, short shelf life when not in use

Table-1: Tangible Vs Intangible Assets

Source: The HR Scorecard- Linking People, Performance and Strategy

Financial analysts are also now including intangibles in their valuation models. A recent study of financial analysts and portfolio managers reveal that, for the average analyst, non-financial information and indicators determine thirty five percent of his/her investment decision. See Table-2 below.

Variable	Rank
Execution of Corporate Strategy	1
Management Credibility	2
Quality of Corporate Strategy	3
Innovation	4
Ability to attract and retain talented people	5
Market Share	6
Management Expertise	7
Alignment of compensation with shareholder's interest	8
Research leadership	9
Quality of major business processes	10

Table-2: Top Ten Non-Financial Variables

Source: The HR Scorecard- Linking People, Performance and Strategy

4. HR Competency Studies

Dave Ulrich in his phenomenal work *Human Resource Champions* listed out eight competitive challenges what he described as the “next agenda for competitiveness in HR practices”:

1. Globalization
2. Value Chain For Business Competitiveness and HR Services
3. Profitability Through Cost And Growth
4. Capability Focus
5. Change, Change, and Change Some More
6. Technology
7. Attracting, Retaining and Measuring Competence and Intellectual Capital
8. Turnaround Is Not Transformation

As HR managers are expected to assume a broader role in overall organizational strategy, they would need to develop a complementary set of competencies. Dave Ulrich summarized these competencies as:

- A. Business Mastery
- B. HR Mastery
- C. Change Mastery
- D. Personal Credibility

Gary Dessler defines competencies as “demonstrable characteristics of a person that enable performance of a job”. He broadly classified these competencies into three categories:

- I. General Competencies
- II. Leadership Competencies
- III. Technical Competencies

Becker, Huselid and Ulrich in their groundbreaking work on *HR Scorecard: Linking People, Strategy and Performance* proposed a more comprehensive definition: “Competence refers to an individual’s knowledge, skills, abilities, or personality characteristics that directly influence his or her job performance”.

Three large-scale HR competency studies conducted in the 1990s transformed the landscape of HR domain.

In the first study, Towers Perrin in collaboration with IBM surveyed 3000 HR professionals, consultants, line executives, and academicians to explore a broad range of HR issues. The work revealed a rather diverse perspective on HR competencies. Among the four groups surveyed, the most commonly identified competencies include:

- I. Computer Literacy (Line Executives)
- II. Broad Knowledge and Vision for HR (Academicians)
- III. Ability to Anticipate the Effects of Change (Consultants)
- IV. HR's Education of and influence on the Line Managers (HR Executives)

The *Society of Human Resource Management Foundation* sponsored the second study. This work focused on the future competency requirements of HR professionals. Based on data gathered from 300 HR professionals spread across different industries and companies of varying sizes, this study concluded that core human resource competencies center on leadership, management, functional and personal attributes that must be augmented by "level-and-role specific competencies".

The University of Michigan School of Business conducted the third and most extensive of the HR competency surveys. This study was conducted in three rounds spanning over a ten-year period (1988-1998). This work involved more than 20,000 HR and line professionals and identified human resource competencies across HR functional specialties, industries and firms. The study aimed to create a competency template for the entire HR profession, not just for a single firm. Let us take a look at the five HR competency domains:

- A. Knowledge of the Business
- B. Delivery of HR Practices
- C. Management of Change
- D. Management of Culture
- E. Personal Credibility

Interestingly, when the relative importance of these five HR competency domains were prioritized, *Personal Credibility* took the top spot and *Knowledge of the Business* was ranked fifth in the list.

5. Using Emotional Intelligence Competency Models

Daniel Goleman's revised model, or framework as shown below, of emotional intelligence currently consists of twenty emotional competencies distributed in four clusters. Selecting for all twenty competencies would be an extremely challenging and costly task. It has been demonstrated that competencies operate on a category, or cluster, level and not just individually. There is not one single set of characteristics that lead to success. Rather there are alternative configurations and combinations of competencies that produce results. Daniel Goleman referred to this phenomenon as a formula, or algorithm, for success.

	Personal Competence	Social Competence
Recognition	<p>Self-Awareness</p> <ul style="list-style-type: none"> • Emotional Self-awareness • Accurate Self-assessment • Self-confidence 	<p>Social Awareness</p> <ul style="list-style-type: none"> • Empathy • Service Orientation • Organizational Awareness
Regulation	<p>Self- Management</p> <ul style="list-style-type: none"> • Emotional Self-control • Trustworthiness • Conscientiousness • Adaptability • Achievement Drive • Initiative 	<p>Relationship Management</p> <ul style="list-style-type: none"> • Developing others • Influence • Communication • Conflict Management • Visionary Leadership • Catalyzing Change • Building Bonds • Teamwork and Collaboration

Table-3: Emotional Competency Framework

5.1 Competency Model Algorithm

Competency Model Algorithm work on the cluster level. In order to demonstrate mastery of a cluster, the criteria for that cluster must be met. For instance, consider this cluster called Getting Results that may consist of the following competencies:

- Self-Confidence
- Achievement Orientation
- Initiation

Let us also assume that the algorithm for this cluster requires that the individual demonstrate a certain level of mastery of at least two out of three competencies. If the individual masters only one of the competencies, for example, Initiative, s/he would not fulfill the criteria for the cluster and therefore would not meet the algorithm for that competency model.

6. Effective Training and Development Interventions

Cherniss and Goleman, with the help of the *Consortium for Research on Emotional Intelligence in Organizations*, have proposed a number of guidelines for developing EI training programs that produce measurable change. As the idea of EI is relatively new in the world of work, very few well-researched training and development intervention explicitly addresses it. However, if we can recognize that EI consists of a number of emotional and social competencies, then we can justify any training intervention that has targeted one or more of these competencies. Let us glance through selected examples of interventions that can help employees become more emotionally competent.

6.1 Human Relations Training

One of the earliest examples of a successful EI training effort was a “human relations” training program for supervisors developed in the 1950s at the Pennsylvania State University. The program targeted several social and emotional competencies, including Self-Awareness, Empathy and Leadership. The training consisted of ninety-minute sessions once a week for twenty-eight weeks (a total of forty two hours). The first phase, which involved primarily cognitive learning, was devoted to a discussion of managerial styles and lasted approximately nine hours. The second phase was primarily experiential, offering numerous individual and group exercises including self-ratings, and in-basket exercise, a listening exercise and a corrective interview role-play. Thirty hours were devoted to this experiential learning. The final phase of the program, which lasted about three hours, was devoted to discussion of the motivational theories of McGregor, Herzberg and Maslow.

6.2 Behavior Modeling Training for Supervisors

Behaviour Modeling has been used to train supervisory personnel in a number of settings including healthcare, communication, education and manufacturing. The method is based on Social Learning Theory, which suggests that people learn in part by observing and emulating models. The typical behaviour modeling training program teaches social and emotional competencies such as Accurate Self-assessment, Adaptability, Initiative and Innovation, Empathy, and communication.

The program is divided into modules, each of which teaches specific behaviours for handling various employee problems, such as a conflict between two employees or an employee who is chronically late. A module begins with short, content-focused presentation. Learners then view a positive model, a video of a person performing the targeted skills and discuss what they have seen. After each practice round the learners receive feedback from peers and the trainer on how well they have used the skills. Training sessions are followed by practice of

new skills at work and to receive feedback on their performance and interventions. Participants then bring their experience back to the training group to discover what may have hindered the application of their newly acquired skills. The trainer now has an opportunity to reinforce the proper application of their newly acquired skills and to show how to break down or go around any roadblocks that seem to be getting in the way.

6.3 Self-Management Training

Self-management training was initially developed and used by clinical psychologists. The underlying premise was that individuals who need to change are more likely to succeed when they are in control of the change process. Rather than have a psychologist apply behavioural principles to bring about change in an individual, the individual is taught those principles and helped to apply them on his/her own.

Self-management programs can influence a number of emotional competencies, including Accurate Self-Assessment, Self-Confidence, Self-Control, Conscientiousness and Achievement Drive.

6.4 EI Training Interventions

The effectiveness of any EI development effort depends not only on the techniques used but also on their design and implementation. Systematic research on the underlying processes of Social and Emotional Learning [SEL] have led to effective implementation of EI interventions.

Two methods effectively used in EI coaching interventions to promote emotional awareness are: *Self-Monitoring* and *In-depth Interviewing*. In self-monitoring, learners gain insight by observing themselves. They can reflect upon their emotions and actions by recording them on a log diary or study their emotional responses through videotaped records. In in-depth interviewing, the interviewer helps the learner develop Self-Awareness by acting like a mirror and offering interpretations about the learner's thoughts and actions. One other strategy of developing Self-Awareness is *Meditation*.

Two effective methods to enhance Self-Regulation are *Anger Management Programs* and *Counter Conditioning*. Methods like *Achievement Motivation Training* are used to promote Self-Motivation.

7. Selecting for EI

There are basically two ways to increase emotional intelligence in an organization: One, hiring people who are emotionally intelligent and two, developing emotional competencies in current members. Hiring is one of the quickest ways to increase emotional intelligence in an organization, but, unless

the organization hires a critical mass (usually greater than 20 percent) of emotionally intelligent personnel, there may not be a significant impact.

Organizations can therefore use HR applications such as hiring, training, executive coaching, and performance management to successfully select for and develop emotional intelligence in their organizations.

The emotional intelligence competencies, although more difficult to detect, are proven to be the key differentiators between typical and outstanding performers. If organizations want to increase their competencies in their workforce, HR hiring process must include a method for identifying these competencies in candidates.

7.1 Behavioral Event Interview [BEI]: A Powerful Selection Tool

One of the most often used techniques for selecting for emotional competencies is the Behavioural Event Interview [BEI]. The purpose of the BEI is to reliably capture the behaviours, thoughts and feelings of a candidate during events that were personally important to the candidate. The BEI is an operant measure designed to capture naturally occurring behaviour. By enabling the interviewee to choose the events, the BEI evaluates the competencies that the candidate is most likely to exhibit.

A complete BEI can last for over three hours. It consists of asking the candidate to recall four events in the past: two positive and two negative. The interviewer walks through each of the events with the candidate in a story like fashion, starting from the beginning of the event. The interviewer looks for concrete data that reveal what the interviewee actually did, said, thought or felt. Leading questions are avoided. Generalizations like (“I usually do.....” or, “My principles at work are...”) are discouraged. When a generalization is made, the interviewer may ask, “can you think of a specific example when you actually did this?”

The goal of the whole testing process is to get an accurate snapshot of the person’s representative behaviours, something as accurate as a videotaped documentary of the candidate at work, but obtainable in an interview format. Using a rigorous assignment process, trained and reliable coders then transcribe and analyze the BEI for evidence of demonstration of emotional competencies. The coder extracts a profile from the interview, which provides information about the candidate’s strengths and weaknesses. This information is then added to information about the candidate’s technical background and experience, resulting in a broader selection criterion.

Although the BEI is one of the best techniques for selecting for emotional intelligence, it can be costly and time consuming. There are variations of the BEI that can be used with large groups of candidates. This process known as *targeted behavioural event interview* usually consumes less than an hour. Targeted BEIs use questions designed to focus candidates on incidents likely to

reveal competencies pertinent to the job being filled. Another time-and-cost-saving technique is training the interviewer to recognize and code emotional competencies during the interview. The challenge, however, is to find someone very experienced in the BEI technique who is able to handle both the interviewing and coding tasks.

Some organizations have implemented panel BEIs. The panel consists of a trained interviewer, the hiring manager and other relevant parties trained to recognize and code emotional competencies. During the BEI, the panel takes notes for codable evidence of the competencies. Codable evidence is specific, concrete and directly attributable to the interviewee. For instance, “we achieved the target...” is not codable, but, “I accomplished the goal by doing...” is codable.

After an interview the panel reviews the data and comes to an agreement on the candidate’s strengths and weaknesses. Although this method is more reliable than that of the single interviews, the interviewee might find the panel intimidating. As an alternative to panel interview, some organizations opt for a videotaped interview and depend on trained coders to analyze them later.

8. Leadership Style and Emotional Competencies

The role of emotional competencies in leadership effectiveness revolves around six distinct styles of leadership (Cherniss and Goleman, 2001) as shown in the table below. Four styles - visionary, affiliative, democratic and coaching - generally drive organizational climate in a positive direction. Two styles - coercive and pace setting - tend to drive climate downward, particularly when leaders overuse them (though each of these two can have positive impact if applied in appropriate situations). The table below summarizes these effects.

The most effective leaders integrate four or more of the six styles regularly, switching to the one most appropriate in a given leadership situation. Though it is a fact that factors influencing organizational performance are diverse and complex, the emotional competency based theory of performance predicts positive links between EI leadership, organizational climate and subsequent performance.

Identifying the objectives and the context are appropriate pre requisites for the six types of leaders to deliver goods demonstrating their emotional competencies. For instance, the highest ideal for the Affiliative leader could be creating harmony in the work atmosphere. Here, building emotional bonds, managing conflicts and influencing empathetically are the core emotional competencies displayed and practiced by the Affiliative leaders.

Leadership Style	EI Competencies	Impact on Climate	Objective	When Appropriate
Visionary	Self-Confidence, Empathy, Change Catalyst	Most strongly positive	Mobilize others to follow a vision	When change requires a new vision or when a clear direction is needed
Affiliative	Empathy, Building Bonds, Conflict Management	Highly positive	Create harmony	To heal rifts in a team or to motivate during stressful times
Democratic	Teamwork and Collaboration, Communication	Highly positive	Build communication through participation	To build buy-in or consensus or to get valuable input from employees
Coaching	Developing Others, Empathy, Emotional Self-Awareness	Highly positive	Build strengths for the future	To help an employee improve performance or develop long term strengths
Coercive	Achievement Drive, Initiative, Emotional Self-Control	Strongly negative	Immediate compliance	In a crisis to kick-start a turn around, or with problem employees
Pacesetting	Conscientiousness, Achievement Drive, Initiative	Highly negative	Perform tasks to a high standards	To get quick results from a highly motivated and competent team

Table-4: Leadership Style, EI and Organizational Effectiveness

Source: The Emotionally Intelligent Workplace

9. Conclusion

The value of personal and organizational effectiveness in terms of developing emotional competencies is widely recognized in today's fast paced competitive world. Organizations need to hire for emotional competencies along with whatever other technical skills or business expertise they are seeking. When it comes to promotions and succession planning, emotional competencies should be a major criterion, particularly when a position requires leadership. And while planning for training and development, the relevance of emotional competencies should occupy center stage.

References

- Becker, Brian; Huselid, Mark; Ulrich, Dave. 2001. *The HR Scorecard; Linking People, Strategy and Performance*, Harvard Business School Press, New York
- Bohlander, George and Snell, Scott. 2004. *Managing Human Resources*, Thomson South Western, New York.
- Cherniss, Cary and Goleman, Daniel. 2001. *The Emotionally Intelligent Workplace: How to Select for, Measure, and Improve Emotional Intelligence in Individuals, Groups, and Organizations*, Jossey-Bass, New York
- Cooper, Robert K. and Sawaf, Ayman. 1997. *Executive EQ: Emotional Intelligence In Leadership & Organizations*, Grosset/Putnam, New York.
- Crainer, Stuart. 1998. *Key Management Ideas: Thinkers That Changed The Management World*, Prentice Hall, New York.
- Cullen, John B. 2005. *Multinational Management: A Strategic Approach*, South Western, Thomson Learning, New York.
- Dessler, Gary. 2005. *Human Resource Management*, Pearson Prentice Hall, New York.
- Goleman, Daniel. 1999. *Working With Emotional Intelligence*, Bantam Books, New York
- Mc Shane, Steven L., Von Glinon, Mary Ann. 2003. *Organizational Behavior: Emerging Realities For The Workplace Revolution*, McGraw Hill, New York.
- Ulrich, Dave. 1997. *Human Resource Champions*, Harvard Business School Press, New York.