

Emotional Competence and Leadership Excellence at Johnson & Johnson:

The Emotional Intelligence and Leadership Study

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A study was conducted on three hundred and fifty-eight Managers across the Johnson & Johnson Consumer & Personal Care Group (JJC&PC Group) globally to assess if there are specific leadership competencies that distinguish high performers from average performers. Participants were randomly selected, then coded for performance rating, potential code, gender, functional group and regional area. More than fourteen hundred employees took part in a one hundred and eighty three question multi-rater survey that measured a variety of competencies associated with leadership performance including those commonly referred to as Emotional Intelligence. Results showed that the highest performing managers have significantly more “emotional competence” than other managers. There was strong inter-rater agreement among Supervisors, Peers, and Subordinates that the competencies of Self-Confidence, Achievement Orientation, Initiative, Leadership, Influence and Change Catalyst differentiate superior performers. The high potential managers received higher scores in the emotional competencies by Peers and Supervisors, but not by Subordinates. Some gender difference was found, with Supervisors rating Females higher in Adaptability and Service Orientation, while Peers rated Females higher on Emotional Self-Awareness, Conscientiousness, Developing Others, Service Orientation, and Communication. Direct reports scored Males higher in Change Catalyst.

History

Late in 1998, a *Harvard Business Review* article entitled “What Makes a Leader,” caught the attention of senior management at Johnson & Johnson’s Consumer Companies (JJCC). The article, written by Daniel Goleman, spoke to the importance of Emotional Intelligence (EI) in leadership success, and cited several studies that demonstrated that EI is often the distinguishing factor between great leaders and average leaders. Goleman posits that the foundation of emotional competency is Self-Awareness, the knowledge of ones own abilities and limitations as well as a solid understanding of factors and situations that evoke emotion in one’s self and

others. Equipped with this awareness, an individual can better manage his own emotions and behaviors and better understand and relate to other individuals and systems.

Long committed to leadership education and development, JJCC leadership decided to fund a study that would assess the importance of Emotional Intelligence in leadership success across the J&J Consumer Companies. Specifically, the project, which involved more than fourteen hundred employees in thirty seven countries, set out to determine if the emotional, social and relational competencies identified by Goleman and other EI theorists, did in fact distinguish high performing leaders at JJCC.

Study Design & Methodology

The study design was centered around a one hundred and eighty three question multi-rater survey that was a blend of the J&J leadership competency model, the Standards of Leadership[®](SOL), and the Emotional Competence Inventory[®] (ECI) that was based on the work of Richard Boyatzis and Daniel Goleman. The Standards of Leadership[®] contained a traditional set of managerial and leadership competencies, built around the Johnson & Johnson Credo, which embodies the company's orienting business philosophy towards responsibility, integrity, and ethical behavior. The SOL core competencies include, Drives Business Results, Promotes Innovation, Manages Complexity, Customer Focus, Develops Others, Builds Partnerships, Fosters Change, and Lives the Credo Values. The Emotional Competence Inventory[®] (ECI), contains twenty social and emotional competencies organized into four main clusters or behavioral groups namely, Self-Awareness, Self-Management, Social Awareness and Social Skills. Three hundred and fifty eight Managers were randomly selected from across the J&J Consumer & Personal Care Groups. Participants were 55% male, 45% female, and regionally distributed as follows; North America 40%; Europe 25%; Asia, Africa-Middle East, 20%; and Latin America, 15%. Participants were required to have a minimum of two years in a management position within J&J, and fluency in English.

After selection, regional human resource representatives provided additional participant information including functional area of responsibility, and performance ratings and potential ratings for the previous two performance years. Participants were coded by broad functional area, Administration, Marketing, Operations, or Research and Development. They were also identified as high-performing (HiPR) if their rating numbers were in the "exceeds expectations" range, or greater than 4.0 on a five-point scale for performance. Performance ratings are determined by a combination of achievement against business objectives, the "what" of performance, as well as behavior on the job, the "how" as measured by the J&J Credo and the

Standards of Leadership®. Individuals were also coded for potential on a five- point scale, and rated as high-potential (HiPO), if their rating was at least 4.0, indicating “promotable to the next level or above.”

Potential ratings are determined by a combination of an individual’s performance rating and potential for taking on added responsibility in the organization. An individual considered to be a “high potential” will typically have a track record of accomplishment over several performance periods and be perceived as ready to move up at least one level in the organization or assume a wider span of control and responsibility at the current job level. Both the performance rating and potential code are success indicators within the organization and determine promotion, compensation and position in succession planning schemes. Participants were instructed to select a minimum of one supervisor and four additional raters, to complete the web-based survey. Raters were asked to rate the leader based on behavioral statements and whether the statements were true for the leader. Scores were based on a seven-point Likert scale, with one being the lowest rating “slightly agree” to seven being the highest, “strongly agree.” Fourteen hundred and fifteen employees completed the survey and data was captured into a database in accordance with coded variables.

Statistical Analysis

The data was analyzed to compare the ratings of groups defined by region, gender, function, and performance and potential. Gender, potential, and performance, each consisted of only two categories, male and female, average and high potential (HiPO), and 4.0 or under, and over 4.0 for the high performers (HiPR). The mean ratings for these groups were compared using an independent sample T test. For region and function, which each consisted of four categories, multiple regression procedures were used. For these analyses a set of “dummy” variables was created to represent the four different categories. The dummy variables were then used in the regression analysis to predict the ratings. If the regression results showed a significant regression weight for one or more of the variables, the conclusion would be that the mean ratings for that variable were higher or lower than that of the remaining variables.

Results

EI and High Performing Leaders (HiPR)

The study revealed a strong relationship between superior performing (HiPR) leaders and emotional competence, supporting theorist’s suggestions that the social, emotional and

relational competency set commonly referred to as Emotional Intelligence, is a distinguishing factor in leadership performance. Leaders who received performance ratings of 4.1 or greater on a 5-point scale were rated significantly higher than other participants in all four of the Emotional Intelligence dimensions of Self-Awareness, Self-Management, Social Awareness, and Social Skills by Supervisors and Subordinates. Peers found HiPR leaders to be stronger in the Self-Awareness and Self-Management clusters. Six competencies were found to distinguish HiPR's across all three rater groups, specifically, Self-Confidence, Achievement Orientation, Initiative, Leadership, Influence and Change Catalyst. This finding is consistent with conclusions reached by McClelland (1998), in a study of leaders in thirty different organizations, that found the most powerful leadership differentiators were Self-Confidence, Achievement Drive, Developing Others, Adaptability, Influence and Leadership. In our study, of the twenty emotional competencies measured, Subordinates and Supervisors rated HiPR leaders stronger in seventeen, and fourteen EI competencies respectively. Peers found HiPR leaders to be stronger in nine of the twenty emotional competencies. (Table 1.)

EI and High Potential Leaders (HiPO)

Supervisors rated high-potential leaders significantly higher on thirteen of the twenty emotional competencies measured, as well as in the Self-Awareness, Self-Management, and Social Skills Clusters. Peers were less able to distinguish the HiPO leaders, rating them differently in six of the twenty competencies measured. With the exception of a slight difference in the area of Conscientiousness, Subordinates did not rate HiPO leaders differently than other participants. (Table 2).

Supervisors' enhanced ability to recognize high potentials in this study may be understandable given a few factors. Supervisors are aware of employee potential status since they are instrumental in determining potential ratings for their direct reports. Knowing potential status of the participants while assessing them may have biased survey scores. Another possibility is that Supervisors, being charged with succession planning responsibility, may look for the demonstration of the competencies they know are predictive of success at higher levels in the organization, while Subordinates, in particular, may focus on competencies needed for success in the current role, which may in fact be different. It's also likely that high potential individuals make an effort to demonstrate reach capabilities to their Supervisors in an attempt to influence their opinion regarding their promotability and future potential.

EI and Gender

Relative to the many differences found for performance and potential, there were fewer differences found relating to gender, however a few are noteworthy. Peer ratings show differences in five emotional competencies, Emotional Self-Awareness, Conscientiousness, Developing Others, Service Orientation, and Communication. In all of these areas, women received the higher ratings. Supervisor ratings showed significant differences on two emotional competencies, specifically women were rated higher on both Adaptability and Service Orientation. Direct Report ratings showed only one significant difference, men were rated higher on the competency, Change Catalyst. (Table 3)

Research concerning gender difference in leadership performance has found little evidence to suggest that males and females differ in their leadership effectiveness. (Landau, 1996; Eagly, Karau, & Makhijani, 1992, 1995; Ragins, 1991). In particular, several studies have demonstrated that there is little to no difference in satisfaction levels of Subordinates of either male or female leaders (Carless, 1998; Ragins, 1991; Osborn & Vicars, 1976). The findings of the current study support this research. However, some studies suggest that the style by which males and females lead has consistently been found to be different. A meta-analysis conducted by Eagly & Johnson (1990) found females to have better social skills and to be described as “interested in other people.” Women leaders as a group, when compared to male leaders as a group, tend to be described as more friendly, pleasant, and socially sensitive (as cited in Eagly & Johnson, 1990). This finding is consistent with the current study, showing higher scores for females in several of the interpersonal and social competencies measured.

Prior research on gender difference in Emotional Intelligence have shown that in terms of total EI men and women do not seem to differ, however there is evidence that women and men may differ on specific competencies. BarOn (2000) analyzed the scores on over seventy-seven hundred administrations of the Emotion Quotient Inventory (EQ-i) and found that while men and women did not differ on the total EI, women did score significantly higher on Empathy, Interpersonal Relationships, and Social Responsibility, while men scored higher on Self-Actualization, Assertiveness, Stress Tolerance, Impulse Control, and Adaptability.

Where BarOn found that men were more adaptable, the current study found that Supervisors found women to be more adaptable. However, consistent with BarOn’s findings, that females show more empathy and are more skilled in interpersonal relationships, our findings suggest peers find females to have higher levels of Self-Awareness, be more Service

Oriented, have better Communication Skills, and be more adept in Developing Others. However, it must be noted that the research by BarOn is based on a self-report measure and does not employ a 360-degree methodology as in the current study. The significant difference between self-ratings and the ratings of others is a consistent finding in the literature and thus generalizations may or may not be appropriate.

While the current research does not provide a consistent pattern of gender effects across all rater groups the pattern of females being rated significantly higher on several competencies, in particular by peer raters, is interesting. Several hypothesis have been put forward to account for gender differences including biological differences, differences in early childhood socialization in same sex playgroups, and the fulfillment of culturally prescribed gender role expectations. The differences in interpersonal processes and motives of males and females may also be related to types of self-schemas (e.g. independent vs. interdependent) that tend to be held by males and females as a group (Cross & Madson, 1997). One explanation may be that women are more likely to play out their preference for interdependence with a peer group given that peer relationships do not have the power differential and subsequently, the role demands that the subordinate or supervisory role has. Women may openly express feelings, demonstrate vulnerability, compromise, and collaborate with peers, while doing so in their supervisory role may seem inappropriate, and in their subordinate role, it may be perceived as by the woman as too risky.

EI and Regional Differences

Some scattered differences in ratings by region were observed. For example, leaders from Asia received lower scores from Supervisors compared to other participants, while peers rated the North American leaders significantly higher than other participants. Direct reports gave higher ratings to leaders from Europe and North American than they did to leaders from the other two regions. The variations found likely reflect cultural differences in rating standards as opposed to a true reflection of performance difference.

EI and Functional Differences

Although some significant differences were observed across functional areas, the number of participants in each functional category was not sufficient to draw any conclusions.

Organizational Response to the Study

As a result of the study, the JJCC Consumer Companies enhanced their selection and performance management practices in several ways:

- The company's leadership model, the Standards of Leadership, was modified to include the distinguishing emotional competencies found to be missing from the model. This is a particularly important step given the fact that the Standards of Leadership along with the Credo form the foundations for selection, assessment and development activities. The enhanced model has been integrated into performance review and succession planning processes, and protocols for selection have been modified to include the appropriate emotional competencies.
- A new on-line 360° feedback survey has been developed based on the newly enhanced model. The *Development Advantage*®, *Standards of Leadership 360° Feedback Survey with Emotional Intelligence* is available to all employees and helps individuals and groups assess their current level of performance and receive development suggestions for enhancing performance.
- Educational and developmental programs have been developed and launched across the Consumer & Personal Care Groups globally, to familiarize employees with the concepts of emotional, social and relational competency, and to share results of the leadership study. These sessions also served as the launch for the newly enhanced leadership model and survey.
- Efforts to build skill in EI throughout the organization are ongoing. Board members and their teams have begun assessment and skill-building activities around EI and individuals and groups throughout the organization have initiated programs and processes to enhance the emotional competency of the organization and its members.

Conclusions & Next Steps

This study supports the position that emotional competence differentiates successful leaders. High performing managers at the Johnson & Johnson Consumer and Personal Care Group were seen to possess significantly higher levels of Self-Awareness, Self-Management capability, Social Skills, and Organizational Savvy, all considered part of the Emotional Intelligence domain.

Research has shown that Emotional Intelligence, like technical skill, can be developed through a systematic and consistent approach to building competence in personal and social awareness, self-management, and social skill. However, unlike technical skills the pathways in the brain associated with social and emotional competencies are different than those engaged by more cognitive learning. Because the foundations of social and emotional competencies are often laid down early in life and reinforced over several years they tend to become synonymous with our self-image and thus need focused attention over time to bring about change. (Cherniss, Goleman, Emmerling, Cowan, & Adler, 1998)

The commitment and systematic approach taken at the J&J Consumer Companies is consistent with the focused approach necessary to build emotionally competent organizations. A strategic cycle of assessment>learning>practice>feedback over time will enable organizational members to build the competencies that can drive personal success and develop high performing leaders for the organization.

In closing, it is important to note that the encouragement and support of the executive committee sponsors and human resource vice presidents around the world made it possible to do an important research study in an incredibly dynamic environment like Johnson & Johnson. We would also like to thank Dr. Cary Cherniss, of the Consortium for Research on Emotional Intelligence in Organizations (CREIO) for his encouragement and consult during the project, and Dr. Richard Boyatzis, Dr. Daniel Goleman and Hay/McBer for permission to use a research version of the Emotional Competence Inventory® in our research. And finally, we are indebted to the more than fourteen hundred Johnson and Johnson employees around the world who demonstrated their commitment to personal development and performance excellence by taking part in this study.

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Table 1. Mean Ratings on ECI by Performance Rating						
Cluster or Competency	Supervisor		Peer		Direct Report	
	High Potential	Average Potential	High Potential	Average Potential	High Potential	Average Potential
Self-Awareness	92.6**	83.7**	91.0*	85.6*	91.5*	85.0*
Emot. Self-Aware.	16.1	15.2	16.0	15.7	15.2	15.2
Acc. Self-Assess.	34.7*	31.6*	33.4	32.0	33.7	31.9
Self-Confidence	40.8*	37.1*	41.8***	37.9***	41.7***	37.8***
Self-Management	175.2**	159.4**	171.6**	160.5**	173.8**	160.6**
Self-Control	20.8	20.4	21.4	20.7	21.8*	20.1*
Trustworthiness	24.1*	22.5*	22.3	21.9	22.8*	21.3*
Conscientiousness	30.7	28.9	30.0	28.7	30.2	29.0
Adaptability	28.5**	26.3**	27.1	25.8	27.7**	25.8**
Achieve. Orientn.	35.6**	31.4**	34.7**	32.3**	34.8**	32.3**
Initiative	34.8**	31.2**	34.7**	31.4**	34.3**	31.4**
Social Awareness	63.0*	57.8*	61.5	59.6	62.8**	57.9**
Empathy	40.2*	36.8*	38.0	37.7	38.9*	35.6*
Organiz. Aware.	22.6	20.8	23.8***	21.7***	24.0**	22.3**
Social Skills	306.3**	273.0**	297.3	284.4	300.4**	272.9**
Developing	28.4	26.1	28.4*	26.7*	28.4*	26.3*
Service Orientn.	41.1*	37.3*	39.5	37.6	40.4*	37.6*
Leadership	23.4**	19.6**	22.1**	20.5**	22.0***	19.7***
Influence	39.4**	34.8**	39.2**	36.3**	39.5**	36.0**
Communication	32.0	29.7	33.1*	30.9*	33.4*	31.3*
Change Catalyst	40.4***	35.3***	39.4**	35.0**	39.7**	36.6**
Conflict Manage.	27.8*	25.5*	27.4	26.0	27.3*	25.1*
Building Bonds	23.5*	21.0*	22.9	21.7	23.5***	21.2***
Teamwork	47.2*	43.0*	45.4	43.8	46.1*	42.5*

* p < .05 ** p < .01 *** p < .001

Table 2 – Mean Ratings on ECI by Potential						
Cluster or Competency	Supervisor		Peer		Direct Report	
	High Potential	Average Potential	High Potential	Average Potential	High Potential	Average Potential
Self-Awareness	87.6***	80.7***	86.9	84.6	86.5	86.1
Emot. Self-Aware.	15.8	15.1	15.6	15.8	15.6	15.6
Acc. Self-Assess.	32.6**	30.7**	32.4	31.6	32.3	32.3
Self-Confidence	38.9***	35.0***	39.1**	37.1**	38.7	38.0
Self-Management	164.4***	154.9***	162.8*	157.2*	161.6	163.2
Self-Control	20.8	20.1	20.4	20.7	20.7	20.2
Trustworthiness	22.4	22.0	21.5	21.6	21.5	21.9
Conscientiousness	29.4	28.4	29.1	28.5	29.6*	28.5*
Adaptability	26.3**	24.6**	26.1	25.6	26.1	26.1
Achieve. Orientn.	32.7***	30.0***	33.1***	31.3***	33.0	32.0
Initiative	32.4***	29.8***	32.2**	30.7**	31.8	31.4
Social Awareness	58.5	57.1	59.0	59.2	59.8	58.7
Empathy	37.1	36.7	37.0	37.4	37.0	36.5
Organiz. Aware.	21.3	20.3	22.1	21.7	22.8	22.2
Social Skills	280.7*	264.6*	284.1	278.5	280.7	279.0
Developing Others	26.8*	25.2*	26.6	26.3	27.0	26.6
Service Orientn.	38.1*	36.0*	37.7	37.5	38.7	37.8
Leadership	20.9**	19.3**	21.1**	20.0**	20.5	20.0
Influence	35.9*	33.9*	36.6	36.0	37.2	36.4
Communication	30.6*	28.9*	31.4	30.7	32.1	31.2
Change Catalyst	36.8**	34.1**	37.1*	35.5*	37.4	36.7
Conflict Manage.	26.2*	25.0*	26.2	25.4	25.9	25.3
Building Bonds	21.9***	20.2***	21.7	21.5	22.0	21.5
Teamwork	44.0	42.2	43.7	43.2	43.5	43.2

* p < .05 ** p < .01 *** p < .001

Table 3 - Mean Ratings on ECI by Gender						
Cluster or Competency	Supervisor		Peer		Direct Report	
	Male	Female	Male	Female	Male	Female
Self-Awareness	82.8	85.0	84.5*	87.4*	86.5	86.0
Emot. Self-Aware.	15.2	15.6	15.3***	16.4***	15.5	15.7
Acc. Self-Assess.	31.5	31.7	31.8	32.3	32.6	31.9
Self-Confidence	36.1	37.6	37.5	38.7	38.4	38.4
Self-Management	157.4	161.7	159.5	160.5	162.2	162.6
Self-Control	20.3	20.6	20.5	20.5	20.7	20.2
Trustworthiness	22.3	22.0	21.6	21.5	21.7	21.7
Conscientiousness	28.5	29.4	28.3**	29.5**	29.0	29.1
Adaptability	24.9*	26.1*	25.6	26.1	26.2	25.9
Achieve. Orientn.	31.0	31.6	31.9	32.5	32.8	32.1
Initiative	30.7	31.3	31.1	31.9	31.8	31.2
Social Awareness	57.5	58.0	58.6	59.9	59.7	58.5
Empathy	36.5	37.3	36.7	38.0	37.0	36.4
Organiz. Aware.	20.8	20.7	21.7	22.2	22.8	22.1
Social Skills	266.8	279.6	278.0	286.2	281.6	277.1
Developing Others	25.5	26.6	26.0*	27.0*	27.0	26.6
Service Orientn.	36.2*	38.0*	36.9*	38.4*	38.4	38.1
Leadership	19.8	20.4	20.3	20.9	20.5	19.8
Influence	34.4	35.4	35.9	36.9	37.1	36.3
Communication	29.8	29.6	30.6*	31.7*	31.9	31.2
Change Catalyst	34.6	36.3	36.0	36.5	37.6*	36.2*
Conflict Manage.	25.5	25.8	25.5	26.2	25.9	25.3
Building Bonds	20.8	21.2	21.4	21.8	21.8	21.8
Teamwork	42.4	43.8	43.1	44.0	43.6	43.0

* p < .05 ** p < .01 *** p < .001

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