

# Executive Coaching

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Newsletter

## The Art of Positive Emotions: What is Your Attribution Style?

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 like lubrication to the brain - mental efficiency goes up, memory is sharpened, 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.

Dr. Parker's expertise is in executive coaching, career counseling, dual career marriage enrichment and life planning/renewal. She coaches middle managers to top executives on personal effectiveness. Currently, she is co-leading two groups of CEO's working on their leadership and life legacies.



Dr. Parker has a Ph.D. specializing in both clinical and organizational psychology. She is experienced and certified to use a number of assessment tools and intervention strategies to improve individual and team performance. Dr. Parker is an Illinois Board Registered MISA (dual diagnosis) professional and a licensed psychologist. She manages a private practice in Chicago and Northfield where she serves clients seeking counsel on executive development issues as well as personal life management concerns.

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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 one insurance company, a researcher found that effective leadership influenced service climate among agents, accounting for a 3 to 4 percent difference in insurance renewals – a seemingly small margin that made a huge difference to the business.

In another example, 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](http://www.EISGlobal.com), or Multi Health Systems, [www.mhs.com](http://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.

## The importance of being optimistic – and the pitfalls

A large body of research by Martin E.P. Seligman, a Pennsylvania psychologist, was put forth to the business world in 1990 in his landmark book, *Learned Optimism*. Just about everyone who has a propensity to be optimistic in their world view tends to have greater success, better health and longer life. CEOs and leaders who are skilled at optimism are often visionaries who inspire others through their ideas and positive enthusiasm.

This is not to mean that CEOs who project a pollyannaish view that everything's rosy in the corporation are being wise. There have been enough corporate scandals in recent times to create healthy skepticism. Rather, a leader should speak openly and frankly, with realism. When a leader is able to resonate honestly with those he or she leads, he or she can then point out a positive perspective or path available. Leading with optimism, and projecting it for others to adopt, is meant to be done in a realistic manner.

Optimism is necessary when motivating employees; however, it is dangerous when planning and forecasting. Realism is key when making decisions and committing large sums of money. An important article in *Harvard Business Review* in July 2003 underlines the dangers of "over optimism" in corporate planning (Kahneman & Lovallo). An optimistic CFO could mean disaster for a company, just as a lack of optimism could undermine the visionary qualities essential for superior R & D and sales forces. Optimism, as part of one's emotional intelligence, is a competency that can be learned, practiced and acquired, particularly working with an executive coach.

## 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. Everyone has a habitual way of explaining events, or attributing causes. 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?
- Look outside of yourself to assign blame or look within to see where you have responsibility?
- Give general reasons for good events or give reasons specific to the situation?
- 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:**

- Internal or • External
- Specific or • Global
- Temporary or • Permanent

*(The Attributional Style Questionnaire can be taken for free at [www.authentichappiness.org](http://www.authentichappiness.org).)*

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 explain life events differently. A person who looks at their attributions can consider other perspectives and by doing so, create more positive feelings. 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. Yet everyone can improve emotional intelligence and flexibility. Raising conscious awareness of the complexities of human emotions – their own and those they lead – in order to improve business results is challenging. 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. Executives and entrepreneurs are highly susceptible to these biases. 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.

When such attributional errors show up in the thinking and planning of executives, it can lead to disappointment and negative emotions. It is crucial for leaders to have access to frank and honest feedback in order to acquire realistic and authentic optimism and create positive emotions that can be sustained. Such feedback may be easier and more effective coming from an external coach rather than from peers.

These cognitive biases, in the form of attribution errors, are important concepts to consider when developing realistic yet positive emotions. Again, a skilled coach is aware of these human tendencies for error, and can provide realistic feedback when working with leaders to develop effectiveness. 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.

## A New Theory of Positive Psychology: Using Your Strengths

**M**artin E.P. Seligman introduces the foundation for a theory of Positive Psychology in his new 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.authentichappiness.org](http://www.authentichappiness.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.

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