



## Scaling Up Emotional Intelligence to Inspire the Crowd

### Five ways to inspire purposeful collective action on a grand scale.

While it's bad to ignore a crisis, the more serious problems for today's leaders arise when they try to rouse collective will to address or prevent organisational emergencies. Heads nod around conference tables as well laid out rationales and action plans for strategic change are presented. Months later, however, the promised results fail to arrive. Somewhere, somehow, a silent disconnect has intervened between those who see the big vision and those tasked with executing it, as if both groups hadn't been on the same page all along, or even on the same team.

This sort of **failure in strategy execution** may be more common than most executives are willing to admit. Clear thinking and logic can chart a navigable path up the mountain, but the commitment to brave a risky climb can come only from the heart. And, as too many leaders discover, verbal commitments mean little when they aren't backed by **collective emotional engagement**.

The substantial body of literature on "emotional intelligence" brims with tips on how leaders can inspire people one-on-one, or in small groups. But creating an inspiration ripple effect that can be felt throughout large collectives necessitates a different, though related skillset.

#### Group-level emotion

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Inspirational leaders such as Martin Luther King, Jr. may have shaped history by crystallising their cause into a rallying cry for millions, but for the most part political victories are less about coasting on charisma and more about carefully orchestrated words and actions. Large groups of people can be motivated by observing that something or someone they strongly identify with has been valued, much as thousands of sports fans can experience joy about their team's victory even if they did not gain any tangible (economic) benefit personally. Building on this phenomenon, **research has shown that** a social mechanism called "group-level emotion" is critical in strategy execution.

Managing collective emotions is especially important in times of crisis, when people are dominated by fear that the future will only get worse. Collective fear will yield only to another emotion as powerful as itself, so rather than trying to talk their way out of the problem leaders need to align their words with their actions to inspire constructive emotions such as passion, hope, self-worth.

#### Renault-Nissan

**Research suggests** that great leaders can use five levers to develop this sort of **emotional capital within organisations**. To make the discussion as concrete as possible I will use the example of Carlos

Ghosn and the Renault-Nissan Alliance. In 1999, Renault invested over five billion dollars to acquire a minority equity stake in the flagging Japanese automaker Nissan. Nissan was burdened with high debt, unprofitable product lines, and losses over six of the previous seven years. Other carmakers were afraid to touch the company, in part due to anticipation of Japanese resistance to change even under serious financial difficulty. The perceived cultural difference between France and Japan increased observers' scepticism about the investment, with many predicting a massive failure. The Renault executive chosen as architect of the alliance was **Carlos Ghosn**. Within three years, a business miracle happened: Nissan became profitable—not only through cost-cutting but also through enormous strides in innovation.

### Five emotional levers to build emotional capital

If Ghosn was asked to explain his success, he would probably have highlighted traditional change tools such as building trust, transparency, clarity of change goals, etc. While these logical, “left-brain” explanations make intuitive sense, they do not fully explain why he succeeded so decisively. To draw a better picture of his success I show how Ghosn masterfully applied these tools to elicit five different types of collective emotions.

- **Respectful Authenticity** – *Alignment between thought, action, and feelings.* Ghosn realised that attempts simply to impose changes from the top, would have failed. He had to open up unconventional channels for constructive criticism. With this in mind he decreed that all top-level meetings be conducted, and all reports be prepared, in English, so that senior leaders could start fresh on neutral territory. By doing so, Ghosn prepared the way for frank and open discussion in formal meetings (rather than in corridors), and actively encouraged Japanese managers to disagree and debate their points with him. Hitherto-hidden feelings toward leadership and change—in particular negative ones—could be expressed as long as it was done in a mutually respectful way.

- **Deserved Pride** – *The feeling that we are appreciated for our differences and concrete contributions to others.* This was especially important for Ghosn, the self-proclaimed “outsider”. He included Japanese middle managers in strategy development and assigned company president Yoshikawa Hanawa the face-saving duty of picking the Japanese members of the executive committee. In so doing, Ghosn demonstrated to employees that Nissan’s cultural identity was something they could be proud of.

- **Realistic Hope** – *A feeling that today’s actions will improve the collective future.* Ghosn wasted little

time in signaling his faith in Nissan’s long-term growth. By mid-2000, the “Nissan Revival Plan” was in full swing, with Ghosn announcing plans to introduce 22 all-new models over the next three years. He set about hiring new engineers for electric cars and invested \$922 million building new plants in the U.S. In addition to making good business sense, his actions encouraged employees to focus on Nissan’s bright prospects.

- **Aspirational Discontent** – *The belief that it is possible to fulfill one’s highest potential.* Not all positive, productive emotions are warm and fuzzy. Restlessness and dissatisfaction have their place, as long as they do not devolve into apathy. Even narcissistic ambition can be channeled in a healthy direction. After the Nissan Revival Plan began to bear fruit, Ghosn refused to proclaim ultimate victory, saying, “My biggest worry is complacency inside Nissan.” For him, targets were bars to vault over, not boxes to tick. Human beings want to be a part of something great. No obituary ever began with the sentence, “He met his targets.”

- **Thoughtful Passion** – *The feeling of deep, high-energy personal engagement.* We are never more passionate than when an exciting new challenge beckons. Aware of this, Ghosn assembled nine cross-functional teams composed solely of middle managers from different departments and divisions within Nissan and assigned them to develop an ambitious corporate strategy for renewal. Understandably, this unaccustomed authority kindled extraordinary passion, pride, and effort in the middle managers.

Note that all of the actions above could have been ascribed to sound business rationale alone. Herein lies the “magic” of emotional capital actions: they display both left-brain logic and right-brain emotional engagement—and don’t require one-on-one interactions to inspire large crowds.

### Conclusion

Building emotional capital for collective action is ultimately a matter of careful attunement to the emotional needs of your various constituencies such as customers, employees and communities. The five levers of emotional capital can be applied almost anywhere leaders seek to influence more people than they can closely engage with, using left-brain and right-brain alignment to inspire positive collective action within their organisations.

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