Chapter 4
Harnessing of Emotional Intelligence for Transforming Corporate Excellence

4.1 Introduction

*JRD Tata had said,* 'If you strive for perfection, then only you will achieve excellence.'”

*Aristotle had said" We are what we repeatedly do. Excellence, then, is not an act, but a habit.”*

Effective management of organizations and human resources is facing enormous challenges. Organizations are downsizing, reengineering themselves to compete in the global market and facing an explosion of available information (Luthans, 1998). Max Messmer (1999), CEO of Robert Half, said in a recent survey of 150 executives from some of the nation’s largest companies, that leadership skills were identified as the most important assets of managers. James E. Perrella (1999), Chairman, President and CEO, Ingersoll-Rand Company, stated America is moving from a manufacturing economy to a value-added, service-oriented economy. And at the heart of service are relationships: interpersonal relationships; intergroup relationships; and interdepartmental relationships. The ascendance of work teams in large organizations puts a new premium on relationship team skills. Among others, this set of skills includes the following competencies:

1. Communicating or listening openly and sending convincing messages,
2. Managing conflict, which entails negotiating and resolving disagreements,
3. Inspiring and guiding individuals and groups as a leader,
4. Initiating and managing change, and
5. Collaborating and cooperating with others toward shared goals (Perrella, 1999, p 437).

Emotional intelligence is defined as a person’s self-awareness, self-confidence, self-control, commitment and integrity, and a person’s ability to communicate, influence, initiate change and accept change (Goleman, 1998).

Studies have shown that emotional intelligence impacts a leader’s ability to be effective (Goleman, 1998). Three of the most important aspects of emotional intelligence for a leader’s ability to make effective decisions are self-awareness, communication and
influence, and commitment and integrity. Managers who do not develop their emotional intelligence have difficulty in building good relationships with peers, subordinates, superiors and clients (Goleman, 1998).

When it comes to improving organizational effectiveness, management scholars and practitioners are beginning to emphasize the importance of a manager’s emotional intelligence" (Sosik, Megerian, 1999, p. 367).

4.2 Emotional Intelligence (EI)

Emotional intelligence is a combination of competencies. These skills contribute to a person’s ability to manage and monitor his or her own emotions, to correctly gauge the emotional state of others and to influence opinions (Goleman, 1998). Goleman describes a model of five dimensions. Each area has its own set of behavioral attributes as follows.

1. **Self-awareness** is the ability to recognize a feeling as it happens, to accurately perform self-assessments and have self-confidence. It is the keystone of emotional intelligence (Goleman, 1995).

2. **Self-management or self-regulation** is the ability to keep disruptive emotions and impulses in check (self-control), maintain standards of honesty and integrity (trustworthiness), take responsibility for one’s performance (conscientiousness), handle change (adaptability), and be comfortable with novel ideas and approaches (innovation).

3. **Motivation** is the emotional tendency guiding or facilitating the attainment of goals. It consists of achievement drive (meeting a standard of excellence), commitment (alignment of goals with the group or organization), initiative (acting on opportunities), and optimism (persistence reaching goals despite setbacks).

4. **Empathy** is the understanding of others by being aware of their needs, perspectives, feelings, concerns, sensing the developmental needs of others.

5. **Social skills** are fundamental to emotional intelligence. They include the ability to induce desirable responses in others by using effective diplomacy to persuade (influence); listen openly and send convincing messages (communicate); inspire and guide groups and individuals (leadership); nurture instrumental relationships
(building bonds); work with others toward a shared goal (collaboration, cooperation); and create group synergy in pursuing collective goals.

4.3 A Leader with Emotional Intelligence

Emotional Intelligence is the foundation of other aspects of leadership. Leaders who underestimated their leadership were positively linked to social self-confidence self-awareness may provide individuals with greater perceived control over interpersonal events and consequences in their life...transformational leaders who are self-aware possess high levels of self-confidence and self-efficacy and provide orientation for followers" (p. 384). The authors suggest that self-awareness may enable leaders to understand the emotional implications of their own feelings and thoughts.

Managers who maintain accurate self-awareness have more attributes of emotional intelligence and appear to be more effective to their superiors and subordinates the generous, people-oriented attributes helped him attract and keep great colleagues and investors. His emotional and inspiring traits allowed his enthusiasm to spread. The visionary, daring, intuitive and unpredictable qualities helped him to keep focused on the goal, avoid short-term gratifications and achieve his goal. His open-mindedness helped the company and himself to develop and retain different kinds of people. This ensured new ideas and fresh approaches to problem solving. Decentralize the power structure allowing his talented staff to express themselves in their own way.

An example of how emotional intelligence is used to express leadership is in the book "Seven Habits of Highly Effective People" by Stephen R. Covey (1989).

According to Covey the effect of developing the first three habits significantly increases self-confidence. You will come to know yourself in a deeper, more meaningful way. Understanding of one’s nature, deepest set of values and unique contribution capacity becomes clearer. This is the foundation of emotional intelligence as defined by Daniel Goleman – self-awareness. It is also the building of motivational ability. Covey continues, saying that as the first three habits continue to be developed, one’s sense of identity, integrity, control and inner-directedness will increase. There will be an increase in caring about what others think of themselves and their relationship to you. This is the development of the self-regulation and empathy aspects of emotional intelligence. The next three habits describe the social skills of emotional intelligence. They help a person
to heal and rebuild important relationships. Good relationships will improve, becoming more solid, more creative and more adventuresome. The seventh habit is developing one’s self through the use of the first six habits. It is taking the time to reflect or further develop self-awareness. Take into account the words used by Warren Bennis (1994) to describe a leader. He uses the words integrity, self-knowledge, enthusiasm, vision, purpose, pursue goals, and honesty. These are the same words used to describe various facets of emotional intelligence

4.4 Recognition of the importance of Emotional Intelligence

In 1980 Reuven Baron was researching the qualities that lead to success. He showed there was much more than traditional Intelligence or IQ and developed the concept of Emotional Intelligence - the Emotional Quotient or EQ was born.

In 1985 an influential psychologist called Howard Gardener also challenged the current view of intelligence and proposed seven multiple intelligences which included social intelligence.

The idea that success in both life and in work (at least where managing people is a significant factor) became highly credible and organizations have recognized how their best leaders and managers need to develop their understanding of themselves and others.

In 1995 Daniel Goleman published the best seller "Emotional Intelligence" which has done a great deal for popularizing the concept.

4.5 Necessity of Emotional Intelligence in Leadership

Emotional Intelligence does not fit the classic historical models of leadership. The latter are usually associated with great figures of military history and conjure up charismatic and sometimes despotic images. However, people often use the same language for leadership today - bold, brave and tough with a strong sense of purpose and resolve. However, this does not fit today's needs, because:

- today's workforce does not accept the autocratic style often adopted by leaders following historical models of leadership.
- leadership has had to evolve to match a growing sense of democracy and independence in the workforce
- employees now have far more options and choices than the foot soldiers of yesterday

Emotional Intelligence (EI) is the capacity for understanding and managing one’s own and others’ emotions. There is increasing evidence that the characteristics of EI: self-awareness, self-motivation, empathy and social skills is more effective than traditional IQ in predicting future life success. Intelligence in particular has played a very minor role in organizational behaviour. In the workplace EI indeed have considerable potential for successful performance. From Table: 4.1 it is seen how EI is related to Leadership Styles within the organization.

Table 4.1: Relating Leadership Styles to Emotional Intelligence (EI)

<table>
<thead>
<tr>
<th>Leadership Styles</th>
<th>Characteristics</th>
<th>Competencies</th>
<th>Leadership Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coercive</td>
<td>Directive; demands immediate compliance</td>
<td>Self-control, initiative, drive to achieve</td>
<td>In a crisis, this leader would be effective at getting things going (a program or an employee)</td>
</tr>
<tr>
<td>Authoritative</td>
<td>Leads the way; mobilizes people toward his/her vision</td>
<td>Self-confidence, empathy, change agent</td>
<td>This leader is effective in situations requiring a new vision or direction</td>
</tr>
<tr>
<td>Affiliative</td>
<td>Creates harmony and cooperation; most concerned about the people</td>
<td>Empathy, relationship building, communication</td>
<td>This leader is effective at healing rifts between team members and motivating personnel in a crisis.</td>
</tr>
<tr>
<td>Democratic</td>
<td>Builds consensus through participation; gets everyone’s input</td>
<td>Collaboration, team leadership, communication</td>
<td>This leader is effective in building consensus and buy in on important decisions and projects</td>
</tr>
<tr>
<td>Pacesetting</td>
<td>Sets high standards; acts as a model for action</td>
<td>Conscientiousness, drive to achieve, initiative</td>
<td>This leader is effective at getting quick results from a highly motivated/ competent team.</td>
</tr>
</tbody>
</table>
Coaching
Supports, facilitates, and develops people; guides others to improve themselves for the future
Self-awareness, develops others, empathy
This leader is effective at helping employees to improve their performance and develop their strengths for the future.

Source: Adapted from Daniel Goleman,”Leadership That Gets Results,” Harvard Business Review, March-April, 2000, pp.82-83

4.6 Modern demands leaders have to meet
Leaders now need to manage and lead an "empowered" workforce and go beyond the consultative, co-operative and democratic styles of today. These new demands include:

- **Consultation and involvement** - *but leaders still get criticized for not having and communicating and compelling vision and purpose.*

- **Autonomy and freedom** - *but leaders are still expected to take full responsibility when things go wrong.*

- **Opportunities for growth, challenge and glory** - *but leaders must be on hand to coach and mentor us so that we develop our potential.*

- **Inclusion and team spirit** - *but we still want our leaders to give us individual recognition and acknowledgement.*

4.7 Passion, Ambition and Desire
Passion, ambition and desire are the driving forces that lead to success, without them, your goal cannot be accomplished. Passion, ambition and desire energize your thoughts, in the same way that the electric current energizes and operates machines and appliances.

“Passionate Employees” think of only two things;

1. Belief or trust in the company.

2. Value of the product and services offered to the client.

Belief or trust in the company has to be created over the years by generating commitment and passion through many of the following factors;

a. Visionary leaders

b. Culture of “We count on you”
c. Challenging & worthwhile jobs
d. Ample reward system
e. Employee delight.

In its study, “Employee Passion: The New Rules of Engagement”, the Ken Blanchard Group describes employee passion as a “positive emotional state of mind resulting from perceptions of worthwhile work, autonomy, collaboration, growth, fairness, recognition, connectedness to colleagues and connectedness to leaders.

4.8 Leveraging Passion and Spirituality to Higher Passionate Work-Culture
There is a big difference between people who just work and people who work passionately. And this difference is the difference between success and failure. People with Passion will automatically turn to be innovative and imaginative (Choudhary, 2001) and creative imagination is the crux of innovative and constructive work (Friedman, 2005). Webster dictionary defines passion as “intense or violent emotions, a great liking or enthusiasm”. Strong emotions, ‘fire in the belly’ ‘gripes in the guts’ all go altogether. Passion has different types e.g. ‘Zest for life’, ‘Drive to accomplish’, ‘Competitive fire’, ‘Passion for truth’. Passion unites power of head and heart in spiritually ignited fashion. Indelibly, ‘Passion’ is to success. It is about the valuable asset-people, who have positive attitude, commitment and desire to win. And this is the difference between people who just work and people who work passionately. And this is the difference between success and failure (Choudhary, 2001; Khera, 2000). In our opinion, passion encompasses all the four vital ingredients; soul, spiritual and emotional manifestations, power of full engagement for enhancing throughput of any organizations. Passion almost always makes people seem smarter and act smarter. A word of, caution, we have to be away from negative Passion. We should also know what Passion is not:

a) Passion is not acting without thinking.
b) Passion is not Spirituality without purpose.
c) Passion is not for fervor without clarity.
d) Passion is not intuition and ‘gut feel’.
e) Passion is not perversity.
Though there is scarcity of resources from time to time, passion, ambition and desire pushed them forward, until they achieved the success they pursued. *The role of EQ on leadership skill has a very significant effect on the performance of the group.* A leader of a group or an organization usually acts as a driver, who steers the direction of his or her group members as well as the performance of the group as a whole. For a good performance to be achieved, the members of the group or organization should move along together with their leader, and it is very important for the leader to impose a good quality of leadership. Thus, a good or high score of EQ in leadership is important in order to increase the performance of the group.

EQ also has impact on workplace performance. In workplace, the quality of EQ among members of the group plays significant role in determining its performance. For a group to perform, of course a high or at least good level of EQ among members is needed. As EQ is claimed to be trainable, more effort should be done in emphasizing it especially in education. Also, a role model or more should be appointed in order to give a better and clear picture to people on how effective the implementation of EQ could affect their life quality. Also, the employers should stress more on assessing their employees based on EQ quality rather than other skills such as IQ.

4.9 **Emotional Intelligence: an Inside-out Job**

Intelligence is your ability, either innate or learned, to acquire and apply knowledge from your emotions and the emotions of others. Using this information, you can make better decisions about what to say or do (or not say or do) in any given situation. The Emotional Intelligence (EI) competencies fall into two categories: intrapersonal (existing/occurring within the individual) and interpersonal (existing/occurring between persons). The competencies build logically upon each other. The first few (emotional self-awareness, emotional self-regulation and emotional self-motivation) are intrapersonal and lay the foundation for the interpersonal competencies, empathy and managing relationships.

Emotional Intelligence is an inside-out job. It starts with oneself: developing the intrapersonal skills. The more skilled a leader or manager is at emotional self-awareness, emotional self-regulation and emotional self-motivation, the easier it is to pick up on the subtle social signals of others, be empathetic and manage relationships successfully.
Effective interpersonal skills depend largely on developing effective intrapersonal skills. Emotional Intelligence is comprised of five basic competencies:

1) The first is knowing what you’re feeling,
2) The second is managing your feelings, especially distressing feelings,
3) The third is self-motivation,
4) The fourth is empathy,
5) And the fifth is managing relationships.

**4.10 Intelligence Quotient (IQ)**

Intelligence quotient is the oldest factor among the three forms of intelligence was proposed for the first time in 1912 by German psychologist William Stern. The IQ was designed to define or "rate" the intelligence of humans on the basis of mental capacity. Thus, the overall mental capacity of a person can be measured by calculating IQ.

Studies have revealed that half of the human population's IQ falls between 90 and 110. While an individual with an IQ below 75 is considered mentally challenged, a person with an IQ above 130 is considered to be of superior intelligence.

The factors affecting IQ in a person in addition to heredity are nutrition and social environment which is responsible for the learning of a person. This shows that both physical and social factors are responsible for the development of mental health.

**4.11 Emotional Intelligence (EQ)**

Emotional intelligence was proposed and explained by Wayne Payne in 1985. Emotional intelligence of a person tells the ability of a person to understand one’s own and others emotions precisely. If intelligence quotient helps in analyzing the task then EQ gives the basic motivation to do that task. The gains, loses, fear and confidence involved in doing a task are thus represented by EQ.

Emotional intelligence of a person helps him/her work in a team and assume the role of a leader or a good teammate. In this way, a person can be more productive in work and is considered happier than the person having relatively less EQ. Unlike IQ which is dependent on both nutrition (a physical factor) and on social environment (a social factor), EQ is dependent only upon social environment and not on the IQ.
4.12 Spiritual Intelligence (SQ)

Spiritual intelligence is a relatively new term and has not been widely studied by scientists. In some cases, the disapproval of SQ can be attributed to denial of the existence of spirit by the scientific community. Spiritual intelligence is also known as the social intelligence of an individual person; this is a more appealing definition to some, as the concept of spirit is removed from the equation. While IQ helps in analyzing a task and EQ represents the basic motivation behind a given task, SQ helps one to tackle the very basic question of, "Why should the task be performed?"

Spiritual intelligence or social intelligence of a person is dependent upon the social factors and the nature of the individual's environment or community. Although, the person might be living in accordance with a particular society's standards, the same rules may or may not be universal across all of human society.

4.13 Relation between Intelligence Quotient (IQ), Spiritual (SQ), and Emotional (EQ)

A way to understand the relation between physical, mental and social health aspects is by understanding three well defined scientific factors – Intelligence Quotient (IQ), Emotional Intelligence (EQ) and Spiritual Intelligence (SQ). These three factors are individually defined and collectively related to each other.

Once these factors are analyzed and related to each other, it becomes clear that mental, physical and social factors all contribute to the holistic health of a person in the form of IQ, EQ and SQ. It can also be concluded that the health of whole human society depends on an individual’s health and the social factors. Health, education and moral institutions can combine to create a healthy atmosphere for the entire human society.

In 1986, health was restated by World Health Organization as a resource for everyday life, not the objective of living. Health is a positive concept emphasizing social and personal resources, as well as physical capacities.

Deepak Chopra has given a formula of spiritual quotient in terms of Deed (D) and Ego (E). According to Deepak Chopra S.Q. = D/E. According to him if E is ‘zero’ the S.Q. will be infinite. This appears to be very fascinating but it is highly abstract which cannot be measured experimentally accurately and precisely. However, this formula has immense value to understand S.Q.
“Spiritual Intelligence is about enduring values in these troubled times. To that extent it is only a re-claiming of the facet of personality, long lost sight of, in the pursuit of the profit-objective. If a leader realizes its true identity, is in the consciousness of its innate self, its true, original personality of peace and purity, and has the same vision for the other beings, has an intellectual communion with the Almighty, the Ultimate Source of values, he/she then becomes the embodiment of values and earns spiritual capital, which empowers him/her to be the master of change and be a successful visionary leader in 21st century.”(Dadi Prakashmani, Chief of Brahmakumaris World spiritual University).

A self-empowered leadership certainly requires the cognitive skills of thinking, perception, analysis, synthesis, and reasoning (IQ). It also requires Emotional Intelligence (EQ) - the ability to understand the feelings and needs of oneself and others, to display self-control and self-confidence (but not arrogance or conceit), and to use interpersonal skills to respond to others’ feelings and needs in appropriate ways.

According to Danah Zohar, “The EQ people have started to see that if one really wants to motivate people and transform them, one need to have a noble cause, and when one starts talking about noble causes, one is in the realm of Spiritual Intelligence.”

Fig. 4.1: From Intellectual to Emotional to Spiritual
“Spiritual Intelligence has been on the margins of business thinking since the 1990s. Spiritual Quotient (SQ) refers to the degree to which an individual can demonstrate Spiritual Intelligence and 'Spiritual Capital' refers to a company's ability to generate wealth through Spiritual Intelligence.” (Danah Zohar, Spiritual Capital, Wealth we can live by). “The transformative power of SQ distinguishes it from IQ and EQ. IQ primarily solves logical problems. EQ allows us to judge the situation we are in and behave appropriately. SQ allows us to ask if we want to be in that situation in the first place. It might motivate us to create a new one.” (Danah Zohar & Ian Marshall, Spiritual Intelligence-the Ultimate Intelligence)

**A leader has to have emotional intelligence to align personal and subordinate goals to accomplish company goals.**

James A. Belasco and Ralph C Stayer (1993) suggest four responsibilities a leader must implement at all levels of an organization.

1. Transfer ownership for work to the people who do the work.

2. Create the environment where the transfer of ownership can take place, where each person wants to be responsible for his or her own performance. This entails painting a clear picture of what the company believes great performance is, for the company and each person; focusing individuals on the few great performance factors; developing in each person the desire to be responsible for his or her performance; aligning organization systems and structures to send a clear message as to what is necessary for great performance; engaging each individual’s heart, mind and hands in the business of the business; and energizing people around the business focus.

3. Develop individual capability and competence.

4. Create conditions in the organization that challenge every person to continually learn, including him or her self. These four principles align personal and company goals through emotional intelligence.
4.14 Types of Intelligence Models

Pathak (2002) has developed a model of intelligence models and manifestations of emotional intelligence, which have been described in some of his papers (2001). These are of four types as under:

- IQ – Intelligence Quotient
- EQ – Emotional Quotient/Intelligence
- PQ – Passion Quotient
- SQ – Spiritual Quotient

Stephen Covey in his latest book “8th Habit” has mentioned about another quotient, i.e. XQ-’Execution Quotient’, which fills up ‘execution gap’ and focuses on execution, which he calls as ‘XQ Score’. Stephen Covey (2004) further says that the 8th Habit is: “Find Your Voice and inspire others to find theirs”. For HR development and people linkage with HR typology, it is very important that the whole team should get along with full engagement of `war cry’ like `unleashing brain-power’ and working with full commitment, rather with passion and leveraging performance for obtaining organizational excellence.

Stephen Covey further asserts that for searching potential in people, adequate flexibility of learning, mindset and ‘skill set’ flexibility are the most desirable ingredients. For these, there are four steps to be followed:

- Modelling: Inspires trust without any expectations from people.
- Path finding: Creates order without demanding
- Aligning: Nourishes both vision and empowerment without proclaiming them.
- Empowering: Increase human potential without externally motivating.

Sarah cook and Steve Macauley (Sep, 2004) have authored the book ‘Change Management Excellence’, where-in they have used the following ‘compass of intelligence’ models for describing flexibility as ‘Change Management phenomenon’.

- BI - Business Intelligence
- EI - Emotional Intelligence
- SQ - Spiritual Intelligence
- PQ - Political Intelligence

Thus, the total intelligence types including the researcher’s are:

- IQ – Intelligence quotient
• EQ – Emotional quotient
• PQ – Passion quotient
• SQ – Spiritual quotient
• BI – Business intelligence
• PQ – Political intelligence/quotient
• XQ – Execution quotient/intelligence
• PQ – Physical quotient

These all intelligences help in getting successful organizational change, which is the main ingredient for achieving organizational excellence.

4.15 Flexibility to Strategic Flexibility Manifestations

**Flexibility:** - This is the core magic buzz used which simply means the ability to change or react with little penalty in time, effort, cost or performance (Sushil 2000 & Pathak 2006). ‘Flexibility’ as per Raynor (2007) means “change with existing constraints”. It is also interplay of two extremes of domain (like success, opposite is not failure but mediocrity as a flexible system approach.

**Strategy:** - Strategy is very much a debated topic. As per Peter F. Drucker (2001), strategy is fundamentally about differences. Strategy should be a force multiplier. We shape strategy and strategy shapes us. Mission defines strategy and strategy defines structure. The essence of strategy is choosing what not to do (Porter, 2002). Strategy is critical to the performance of all the organizations. The successful strategic thinkers more often than not, are ‘system thinkers’ and they focus less on day-to-day events and more on understanding trends and forces of change almost intuitively. And, this is the key concept for sailing through and surviving in the world of business turmoil and turbulence of shifting economies fluctuating demographics and dynamic competitive battlefield all over the world.
Strategy is not only five P’s (plan, pattern, position, perspective and ploy- manouvre) but should set the direction, focus on effort and should be continuous and consistent creation (Mintzberg, et.al.2006). Strategy should depict a broader picture of the patterns of waves of sea-beach, once looked from a DCP(Data-Collecting-Platform)- a higher cliff or platform- what looks chaotic at lower level has a definitive pattern once viewed from a higher plethora. And, also strategy is a consistent concept of interconnectedness (Patel, 2006). Whereas; right strategy can lead to tremendous success and wrong moves to disastrous and annihilation.

4.16 Strategic Flexibility
Once embedding ‘flexibility’ into Strategy it becomes ‘strategic flexibility’ which becomes a more versatile word. This can be defined as, “Strategic flexibility is an organization’s capability to identify major problems/ changes in the external environments, quickly mobilizing the resources to new courses of actions in response to
those changes, and recognize and act promptly, when it is time to halt or reverse existing resource commitments.” Herein, focus is on recognizing problem and committing the existing resources under the experiential learning environments of co-creation of value – system as well as continuum domain of flexibility. (Prahalad, 2004; Pathak et al. 2008). Also, ‘Strategic flexibility’ is the ability to change strategies, which is something made largely impossible by the commitments required for success.” (Raynor, 2007). Creating the real options required to implement new different, effective, commitment-based strategies on a tempo defined by competitive markets can be done only in the spaces beyond constraints.

As per, Sushil (2000), the ‘Strategic flexibility’ has four parameters, which further lead to four dimensions of flexibility (Refer Fig. 4.4)

- Strategic learning (Unlearning) → Openness
- Strategic intent → Focus
- Strategic evolution → Adaptiveness
- Strategic Resonance → Resilience

**Fig. 4.4: Evolution of four dimensions of Flexibility**

**4.17 Improving Business Performance through Strategic HRM**

Today the human resource plays a major role in organizational performance. The major activities of resource management are tuned towards strategic exhibits of the organization. The strategic HR incorporates its core performance from the inception of its policies till its implementation of all the HR practices is routed to achieve high performance work system.

Organizational Performance is the outcome of various aspects like profitability, market share technology, culture, common team effort, sufficient skilled work force, required benefits, necessary development programs, visionary leadership, internal communication, peaceful relations, grievance handling and constructive challenges like adopting the global business, embracing technology, managing change developing intellectual capital, managing diversity creating work environment to get most from employees, contribute to their needs, achieving the short term and long term goals of the organization.
Every organization has its own strategies in improving performance; however there are some general practices to support the organizations for the effectiveness for high performance work system. The principles used are shared information, knowledge development, performance linkage and egalitarianism. Thus Policies, Practices and People are the three Ps primarily very important for the organizations towards effectiveness.

4.18 Strategic Competitiveness
Strategic competitiveness comprises of achieving competitive advantage through:-

i. Innovation
ii. Quality
iii. Cost-leadership
iv. By employing people who are better than those employed by competitors.

Whereas the elements of HR strategy are: - Resourcing, HR development and Reward.

4.19 Emotional Intelligence (EI) leading to Inspirational Leadership
More recently, Goleman has steered away from using EI as a selected tool and has moved into the broader-based domain of leadership. Inspirational leadership is about change, transformation, improvement and challenging the status quo. One of the distinctive characteristics of the purposeful values-driven organizations is that they institutionalize the process of ensuring Inspirational leadership. Inspiring leaders are more operationally value-based and principle-centered. They set highly ambitious goals and chose to operate in challenging business environments to enhance their internal competence and develop their competitiveness. Inspiring leaders are driven by a passion to win. (Chopra, et.al, 2004)

4.20 Concluding remarks
In the modern era organization are increasingly looking at HR as a unique and valued asset that ushers in sustainable competitive advantage. It will be observed that human capital is the foundation of value creation. The fast changing business scenario with increasingly globalization, changing demographics leads HR performance drivers as one single most dominant factor for organizations productivity. It is further observed that a Balance Scorecard (BSC) approach of the human capital (intangible asset) is the most sought for parameter today.