How Stress Impacts Emotional Intelligence and Leader Performance

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Why do good leaders with proven track records sometimes suddenly begin making really bad decisions—or no decisions? While there are numerous well-known public examples of this in large organizations, it also happens every day at all leadership levels—not just at the top. Stress and its impact on cognitive and emotional abilities may provide at least a partial explanation for what I call Catastrophic Leadership Failure (CLF).

My research in the areas of leadership, stress, Cognitive Ability and Emotional Intelligence over the last 30+ years has led me to this conclusion: When a leader’s stress level is sufficiently elevated, the capacity to use Cognitive Ability and Emotional Intelligence in tandem to make timely and effective decisions is significantly impaired. Whether on the frontline of a manufacturing process, in the emergency room, the Boardroom or on the battlefield, this often leads to catastrophic results or CLF.

Stress and the Body

When a leader encounters a stressor, a cascade of neurotransmitters and hormones is released into the body resulting in a short-term increase in strength, concentration and faster reaction time. These changes may be helpful in the initial response to a stressful event.

If the elevated stress becomes high enough for a long enough period of time, however, deleterious effects will follow. The initial release of neurotransmitters and hormones into a leader’s system begins to affect major brain systems, particularly the prefrontal cortex (PFC) and the amygdala. The PFC, or CEO of the brain, controls “higher” level thinking processes, e.g., logic, analysis, decision making, etc.—a significant portion of the leader’s IQ.

Emotions and the Amygdala

The amygdala plays a major role in emotional responses. It responds incredibly fast to incoming stimuli. But fortunately, in most cases, the PFC is able to exert control over the amygdala reactions and help the leader avoid what Dr. Daniel Goleman calls “amygdala hijacking.”

Too much stress “turns off” the PFC, resulting in a drop in Cognitive Ability (including IQ) and an inability to control the amygdala. At the same time, the increased stress “turns on” the amygdala, creating an oversensitive heightened state of emotion. A leader loses a significant amount of ability to “control” emotions, thus becoming temporarily less emotionally intelligent! Stress reduces the leader’s ability to access IQ and Emotional Intelligence (EI) abilities fully.

Stress and EI

To validate the theory that stress impacts EI, I conducted a study looking at EI under varying levels of stress. If leaders lose access to their EI under stress, then leaders should score differently under “stress” as compared to “normal” conditions on an instrument that measures EI. To explore this question, I asked 62 leaders to complete the EQ-i® (Emotional Quotient Inventory®) under “normal” conditions and then again under “stressed” conditions.

Under normal conditions the total EQ-i (TEI) score averaged 101. The EQ-i has a mean of 100 and a standard deviation of 15. The “stressed” condition had a TEI average score of 80—more than a standard deviation lower than the results of the “normal” conditions. In fact, all 15 Subscales showed significant degradation under “stress” (Thompson, 2005).

This finding supports the hypothesis that EI degrades under stress and also has
significant implications for the interpretation of EQ-i scores. A standard question practitioners ask at the beginning of a feedback session is, “What was going on with you at the time you completed the EQ-i?” This question takes on much greater significance in light of the findings above. Furthermore, the follow-up coaching, development plan or training that a leader receives should take into account the level of stress the leader is experiencing.

Avoiding CLF

Catastrophic Leadership Failure occurs when a leader experiences enough stress to cause a dramatic drop in IQ and EQ, resulting in a loss of access to cognitive decision making abilities. At some level of stress, there will be a sudden, catastrophic drop in leader performance. Every leader has a “tipping point” when CLF will occur.

When CLF happens, the leader displays some or all of a characteristic set of detrimental behaviors, such as not listening; over-analyzing; not making decisions; making “emotional” decisions; “flip-flopping”; making reactive, short-term, fear-based or anger-facilitated decisions; self-satisficing; responding in a hedonistic manner; or falling victim to attentional blindness.

As OD professionals, we must be aware of the impact of stress on our clients and ourselves. Some seemingly small triggers, from something as simple as an extra shot of espresso, might be enough to push a leader (or a practitioner) over the catastrophic edge into CLF. Understanding the dynamic relationship between stress and CLF is the first step in watching for its possibility and putting good strategies in place to prevent its occurrence.

Strategies may include administering scientifically-validated assessments like the EQ-i 2.0 and the ARSENAL Assessment. Assessing and evaluating Emotional Intelligence allows HR and OD consultants, coaches and other EQ-i 2.0 certified professionals to create targeted EI development programs for leaders and teams that will improve performance, create better interpersonal interactions and more. The ARSENAL can help you manage stress, develop stress resilience and make better decisions. ARSENAL measures your overall level of stress as well as how well you are doing now in each of these seven best practices that are key to resisting the negative effects of stress.

Meet the Expert

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Henry L. (Dick) Thompson, Ph.D., is an award-winning Organizational Psychologist, OD Consultant, Coach, Leadership Researcher and Author, and President & CEO of High Performing Systems, Inc. He is a frequent speaker for business and professional groups around the world on topics related to EI, leadership, team development, systems and high performance. He has also published numerous articles and training manuals on these topics. Dr. Thompson is the author of The Stress Effect: Why Smart Leaders Make Dumb Decisions - And What to Do About It (Jossey-Bass, 2010).

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