Competencies have been shown to differentiate outstanding managers and leaders from their less effective counterparts. Some of the competencies related to effectiveness reflect cognitive intelligence, but many of them are behavioral manifestations of emotional intelligence. Meanwhile, the performance measures used have often been an approximation of effectiveness. A study of leaders in a multi-national, consulting company shows that the frequency with which they demonstrate a variety of competencies, as seen by others, predicts financial performance in the seven quarters following the competency assessment. This, like other studies only clarify which competencies are necessary for outstanding performance. Borrowing from complexity theory, a tipping point analysis allows examination of how much of the competency is sufficient for outstanding performance. Using the tipping point analysis shows an even greater impact of competencies on the financial performance measures of the leaders in the study. The emotional intelligence competencies constituted most (i.e., 13/14) of the validated competencies predicting financial performance.

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Abstract

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