



## Introduction

Best practices for business often refer to the importance of creating alignment between mission, vision, values, goals, strategy and tactical plans. Alignment is viewed as critical for achieving bottom-line results and increasing shareholder value. In most organizations there are serious breaks in alignment, contributing to chaos, complexity and unpredictability: mission statements that decorate company walls but don't impact day to day business; visionaries out of touch with marketplace realities; values paid lip service but not lived; long range goal planning sacrificed to fighting fires and short term needs; staff meetings as pep rallies to boost enthusiasm but resulting in cynicism. The result is emotional and business chaos. The chaos becomes more exacerbated in times of economic uncertainty. Personal and organizational security both are threatened, causing increased emotional stress and lack of clarity. This scenario describes many organizations today.

Emotions are one of the last taboos in business to be addressed. Some leaders are realizing the need to deal with toxic emotions, but don't know how. Fortunately, there are best practices based on new research, tools and methodologies that allow people to develop emotional management skills quickly, with almost immediate stress relief and performance benefits. These tools enable people to shift perceptions and break through mindsets that confine them to tactical issues without the larger overview.

## Emotional Alignment

Creating, managing, and sustaining organizational alignment is a signature of leadership. The mental, emotional and physical (action) alignment within an individual has to come first, before alignment with others can be sustained. We need only look to physics to understand how this works. Alignment is the proper adjustment of components for coordinated functioning, in a machine, an electronic circuit, a laser, etc., or a state of agreement or cooperation among persons. When alignment occurs there is coherence between parts, and intended results are likely to be achieved. Coherence is the orderly and harmonious relationship of parts which generates increased clarity and power. For example, when light photons are aligned, they emit highly amplified and coherent radiation – a laser – which has more power to shed light and cut through densities than the incoherent, non-aligned photons in an incandescent light bulb.

To shift a business from chaos to coherence requires the mental and emotional as well as physical (action) alignment between all stakeholders. Often the emotional component is ignored and the mental/action alignment breaks down. Some might question whether emotional alignment is possible if personal goals and objectives differ from boardroom to front line workers other than the common denominator of making money. But even making money will fall short if there's emotional bankruptcy. When a company is under siege from emotional chaos, mergers fail, commitment erodes, productivity wanes, and innovation languishes. Emotional mismanagement obstructs the coherent energetic momentum needed to achieve goals.

Many leaders today recognize the need to mine and develop the knowledge capital of employees, to increase and utilize the intangible assets of the company. The ability to develop or extract latent assets is impacted by the organizational emotional climate. Emotions are where passion, care, meaningfulness and satisfaction are experienced. Emotion fuels creativity or innovation and provides the juice for going the extra mile. Without emotional alignment, the needed power, clarity and

intuitive feeling that can laser through complexities or make the impossible possible is lost.

Emotions may be the most wasted and neglected resource in business. They are left to go whichever way the wind blows or stack in a toxic dump. In the best of times, people waste emotional energy in pursuit of emotional vanities such as one-upmanship, greed and manipulation, which lead to backbiting, undermining, and organizational chaos. Negative emotional energy pumps out like an uncontrollable fire hose until it is spent. Or it quietly leaks away in resentment and blame, like a dripping faucet that no one sees until it has rotted the floorboards under the sink. In difficult times, when people need a full reserve of emotional energy to stay buoyant, what's left is disarray, anger, anxiety and burnout. Internal emotional chaos costs businesses far more than they realize. It is only starting to be quantified, yet its effects can be seen in soaring health care costs, increased absenteeism, slowed productivity, missed goals, customer complaints and poor product quality. When employees are just trying to survive emotionally, the company gas tank is running low or near empty. This eventually translates as losses to the bottom line. At this time in history when the speed of change is unprecedented, emotional chaos is having lightning-quick and devastating consequences.

The AOL/Time Warner merger is a seminal example of a merger gone awry due to lack of emotional alignment between stakeholders, with billions of dollars lost as a result. The scandals of Enron, Tyco and WorldCom are graphic illustrations of the impact of emotional mismanagement and unbridled vanity on employees, shareholders and society.

James K. Clifton, chairman and chief executive officer of the Gallup Organization, is speaking out on emotions as a critical factor for business success. In a Gallup Management Journal article, titled "Winning Business in the Emotional Economy," Clifton cites statistics on how successful organizations can build sustainable growth by

harnessing the power of human emotions. From the statistics he concludes, “The success of your organization doesn’t depend on your understanding of economics, or organizational development, or marketing. It depends, quite simply, on your understanding of psychology: How each individual employee connects with your customers; how each individual employee connects with your company,” He further explains that companies have learned how to be lean and mean to cut prices but know very little about how to grow margins. Now, faced with extreme competition and customer relationships based solely on price, they are headed down a path toward continuous margin erosion unless they discover a new way to manage human nature and unlock new potential. This requires understanding human emotion.

Peter J. Frost describes the emotional pain in today’s workplaces and the strategic and financial imperatives for developing compassionate management in his thought provoking book, *Toxic Emotions at Work* (Harvard Business School Press, p. 30). He reports that study after study has shown a distinct correlation between a harmonious workplace and company profits.

David H. Maister, a former professor at the Harvard Business School, surveyed more than 5,500 people from 139 offices in 29 firms in 15 countries on quality of client service, quality of work, market reputation, long-term client relationships, profitability, and growth. Financial performance of each office was measured by an examination of margin, profit per-employee, revenue growth over two years, and profits over the same period.

Results showed that employee attitudes actually drove financial results, not the other way around, and that 23 percent of all the variations in financial performance could be explained by the degree to which employees agreed with the statement, “We have an uncompromising determination to achieve excellence in all that we do.” More than 50 percent of all variations in profit performance were explained by nine key attitudes, none of which had to do with technical skills nor financial

acuity. Maister concludes that by raising employee satisfaction 20 percent, a company can boost its financial performance by more than 42 percent.

So what actions can organizations take to turn around emotional chaos? First, they have to recognize, admit, and even measure its draining effects. Companies create balance sheets to account for financial assets and deficits, but it's time to also do cost accounting on mental and emotional gains and drains, since that's too often the source of financial drains. Money is energy. Mental, emotional and physical energies move and flow within and between individuals and between organizations.

A tirade of negative thoughts, judgments and blame, can keep emotional and physical energy draining all day. As the speed of change accelerates and disrupts work flows, emotional reactivity accelerates and can spread like a virus in the workplace – an emotional virus. Emotional virus symptoms include ongoing negative attitudes, blame, griping, us-vs.-them behavior, office politics and widespread defeatism. When you hear people gossiping about they, them, she or him with a negative slant, there's a virus spreading. An emotional virus is a contagion that erodes teamwork, blocks problem-solving, and generates an atmosphere of incoherence and stress.

### The Stress Effect

Organizations of the future that seek to build and sustain high performance will diligently address its prime disabler: emotional stress. Stress, rather than being an external event which can cause us to feel stress, is actually an internal physiological and emotional response to our perception of threat, resulting in a series of adaptations by the mind and body. Simply put, the body creates a stress reaction in response to our perceptions and emotions.

Stress in organizations is just starting to “come out of the closet.” In the post-9/11 world of gnawing economic, political and social anxiety,

people are needing to talk more openly about feelings of tension, overwhelm and helplessness that have become commonplace. Some companies are providing employee assistance programs, counseling services, wellness programs, and flexible work schedules to reduce employee stress. While tremendously helpful, these accommodations don't in themselves address the source of emotional or business chaos in the work environment – let alone make it a place you want to be and feel productive. Job stress is highest when feeling overworked is combined with feeling you have little or no control, unfair supervision, feeling undervalued and unappreciated, and few opportunities for career advance. ( Reuters, 10/17/2002 By Patricia Reaney- The British Medical Journal).

A 2002 Cigna Behavioral Health survey found 45% of all workers say their job is more stressful than ever and they either considered leaving their job, left their job, or plan to do so soon. Many do the minimum to get by. When asked to describe their workplace attitude, 47% say "choppy waters" while 11% describe themselves as "man overboard" They cite several reasons: uncertain economy, worries about job loss, heightened distrust in corporate America, and the reduced value of their retirement savings and investments. Only 5% say global terrorism is a contributor to their stress.

Their decision not to leave their stressful job is based on a need for a steady paycheck or a fear of the unknown. "These figures should catch the attention of employers across the country," says Dr. Keith Dixon, president of CIGNA Behavioral Health. "It's hard to build productive and cohesive work teams when more than a third of your people would rather be doing something else."

Another 2002 study by the National Institute for Occupational Safety and Health found that the number of people who called in sick due to stress has tripled from four years ago and 42% of employees -- double the percentage in 2001 -- say their co-workers need help managing their stress. This is a cry for help. The American Institute of Stress estimates

that stress and the ills it can cause -- absenteeism, burnout, mental and physical health problems — now cost American business more than \$300 billion a year. Workers who report high levels of stress cost health care systems almost 50 percent more than their less stressed colleagues.

## The Role of Leadership

It will take courageous leadership to buck the growing stress momentum and create coherence out of chaos. People are looking for leaders who care and have compassion. They are tired of answering to emotionally unmanaged, self-serving masters who lead themselves and those around them into chaos. In his book *Primal Leadership* (HBS Press, p. 18, 26), Daniel Goleman demonstrates through numerous research studies how leaders' emotional states and actions profoundly affect how the people they lead will feel and therefore perform. He astutely states, "How well leaders manage their moods and affect everyone else's moods, then, becomes not just a private matter, but a factor in how well a business will do."

Combining sophisticated health and performance testing with a psychometric tool called the Personal and Organizational Quality Assessments (POQA), the Institute of HeartMath, a non-profit research and education organization founded by stress and performance researcher, Doc Childre, has identified how critical emotional coherence is to personal effectiveness for individuals and organization. HeartMath's research with an organizational development model called Inner Quality Management (IQM) shows how leaders set the emotional climate of the organization, and it is their own personal coherence which is a critical pre-condition for organizational coherence. Measuring various stress symptoms, emotional attitudes and feelings toward work and senior management, provides a clear window into the state of organizational performance.

Unfortunately, it's still taboo for most executives to admit a stress problem, although their physician or coach, corporate medical director, or spouse may know the problem only too well. After all, leaders are supposed to thrive under stress and employees are expected to perform better under the goad of stress. It's traditionally been seen as a sign of weakness to admit chronic anger, anxiety, depression, or panic attacks, or to acknowledge the effect of their lack of emotional management on others. The net effect is "People are absolutely nuts, stressed off the map...I've never seen it this bad." says Dr. Stephen Schoonover, author of *Your Soul at Work* and head of a firm that helps executives combat stress in their lives.

So what are workers doing to cope? When emotional chaos gets to a certain point and people have nowhere to turn, they either break down, blow up or go to the heart to find some intuitive direction. As a result, many are saying no to ludicrous work schedules and taking more time for family or vacations or just having fun. Others are taking time for meaningful reflection, getting more involved with spirituality, taking up exercise programs or hobbies. They are turning away from the workplace as a place to learn and unfold their potential. It's time for leaders to seize the day and transform chaos into coherence. This starts with emotional alignment to laser through the chaos. Rigid business structures will have to change and process improvements implemented that foster emotional alignment. This will free up a tremendous amount of energy for internal and external growth and mission alignment. Fortunately there are tools, instruments, models and measurements for achieving emotional alignment and coherence, step by step.

### The Role of the Heart

Since 1991, Institute of HeartMath has researched and developed scientifically-based business tools to improve the stress/performance ratio. This research includes the impact of emotions on physiology and decision-making. It draws from a promising new field called neurocardiology and maps how the heart and brain communicate. What



is significant is that this research has proven that the heart is an intelligent system with its own nervous system and processing capacity and that it is part of the emotional system. Feelings do affect the heart. Sayings like, “listen to your heart,” “put your heart into it,” and “follow your heart” are not mere metaphors; they are performance tools based on sound physiology. Neurocardiologists discovered in the early 1990’s that the heart has an intrinsic nervous system – a complex an independent system referred to as “the brain in the heart.” This heart-brain has neurons that sense, feel and remember. It receives and relays information from the heart to the brain in the head. The heart has been found to be a convenient access point for creating positive emotional change, and ultimately, organizational change. Attitude and perception shifts happen quickly when heart and brain are brought into emotional alignment.

Great leaders intuitively know this and use this knowledge to galvanize passion and action when a new mission or direction is needed. Heart-brain alignment results in higher mental and intuitive functioning for better performance -- like running higher octane gas through your system. Because of the promise this performance research has for individuals and organizations, it’s helpful to explain a little about its scientific underpinnings.

### Getting Aligned – Harnessing the Power of Feelings

The experience of feelings transforms the world from a series of events and facts into a living, dynamic experience that gives meaning to life. When feelings are strong, they can be detected in the changing pattern of people’s heart rhythms or heart rate variability (HRV). When frustrated, afraid, worried, angry, or upset, people’s heart rhythms become uneven and irregular. Viewed on a computer screen, they look like ragged mountain peaks.

This jerky pattern is called a chaotic or incoherent pattern and is typical of feelings of anger or frustration. When upset, it’s hard to feel or think coherently and people are more likely to say or do things they later

regret. When feeling confident, secure, cared for, or appreciative of someone or something, people's heart rhythms become smooth and even. HRV takes on a highly ordered or coherent pattern, which is an indicator of nervous system balance and good health. Scientists have found that a smooth, coherent heart rhythm pattern also makes it easier to self-manage emotions, think clearly, and make better intuitive decisions.

The autonomic nervous system connects the brain and heart. It controls many of the functions of the internal organs and glands which secrete hormones. The autonomic nervous system is also involved in the ability to feel and experience emotions. Negative emotions like anger, anxiety, or worry, cause the signals going down the two parts of the autonomic nervous system to the heart to become out-of-sync with each other and cause heart rate to speed up and slow down in a jerky manner.

Being out-of-sync from negative emotions can be likened to driving a car with one foot on the gas pedal (the sympathetic nervous system) and the other on the brake (the parasympathetic nervous system) at the same time. Just as it causes extra wear and tear on a car and burns more gas, being out of sync causes extra stress in the body and drains energy.

Everyone has negative emotions occasionally, but too many over too long a time keep heart rhythm patterns incoherent and keep people on mental and emotional stress overload. This affects attitude, health and performance. Perception gets distorted (e.g., the boss looks at you funny, and you're sure that he's being critical or that you'll be fired). Without thinking you react – get upset, scared, angry, and are ready to quit.

Long-term studies have revealed that chronic stress reactions and attitudes such as anxiety, hostility and fear degrade physical health and dramatically increase the risk of cardiovascular disease, cancer, and other chronic conditions. The link in this chain to the underlying heart rhythm patterns represents a breakthrough for understanding and transforming chronic stress reactions.

It is now clear that positive emotions, such as appreciation, care, and compassion allow the two branches of the nervous system to get in sync and the heart's rhythm pattern to become more ordered and coherent. Heart rhythm coherence drives heart-brain synchronization or alignment. There is a direct correlation between one's degree of heart rhythm coherence and cognitive performance outcomes.

Research shows that increased heart rhythm coherence increases flexibility in the way one thinks, improves decision-making, increases creativity and intuitive problem-solving, improves immunity and hormonal balance, and lowers blood pressure. Most leaders and anyone who has been successful has intuitively understood this and created personal strategies to do things they enjoy in order to bring more balance and coherence into their systems. Scientific research is now confirming the physiological value of positive feelings.

Getting in sync is smart business. Heart-brain synchronization (alignment) gives people the coherent power they need to control emotional habits and impulses. It increases awareness and focuses scattered emotional energies. People gain clearer intuition to see and make choices based on what's best for the whole situation. The concept of emotional intelligence, popularized by Daniel Goleman in a book of that title, promised these outcomes but its implementation into the workplace has been slow.

His book spawned a movement which injected enthusiasm and hope into those responsible for transforming the emotional chaos of their organizations. His framework for developing emotional capacity and leadership excellence has been synthesized into four key constructs: self-awareness, self-management, social awareness and relationship management. However, the challenge for most organizations is to turn conceptual frameworks into practical tools people can apply in their work and day-to-day lives.

HeartMath's Inner Quality Management system (described in more depth below) blends a strong conceptual and physiological research framework with simple, field-tested tools that are easy to apply in developing emotional capacity and self-management. HeartMath's research has shown that emotional awareness involves integrity, courage and commitment to acknowledge what you are feeling about yourself, others, and issues, and then to manage your emotions from the coherent heart rhythm state to bring them into alignment to find clarity. People are accountable for the effects of their emotions on their bodies, minds, work products and careers.

Creating emotional alignment within oneself and the workplace does not have to be a squeamish or arduous task, but it does take practice. The fear of many leaders is that it will be like uncovering a nest of roaches that scurry every which way when exposed to the light of day. However, there are proven methodologies that can guide individuals and businesses through the paces of emotional alignment. Once emotional alignment is improved even incrementally by an individual, a work team, or organization, it geometrically accelerates achievement in other areas. The ROI can be significant. One effective effort yields a 10X or more return in results, intangible and tangible. As emotional ROI is increased, it improves the stress/performance ratio and lifts an individual, team or organization out of emotional deficit spending. The reduction in backbiting, mistakes, time waste, and stress, and improved organizational climate can be felt by all.

There will always be unmanaged emotions in the workplace, always people who feel under-appreciated or feel company policies and actions are unfair. Effectiveness in building organizational coherence is not about having idealistic expectations, but about systematically increasing emotional alignment in steps and stages. This frees energy to stay focused on mission, inspired by vision, living meaningful values and achieving goals in an iterative process with other stakeholders. It increases job satisfaction and gratification, refueling passion and

commitment that act as a buffer during challenging times. Increased coherence allows organizations to surf the inevitable ups and downs with minimal energy loss— mental, emotional and physical – and that means money to the stakeholders. Emotional alignment is the substrate of sustainable peak performance.

## Tools to Create Coherence out of Chaos

HeartMath's Inner Quality Management (IQM) system is a blueprint for creating emotional alignment within the individual and the organization. It encompasses four dynamics: internal self- management, coherent communication, boosting organizational climate, and strategic processes and renewal. The tools of IQM enable individuals to quickly stop emotional stress in the moment, shift their heart rhythms into a more coherent pattern, and align heart and brain for clearer perception and intuition. The tools empower both leaders and workers to shift out of frustration, anger, worry, and anxiety into at least a neutral state, to depersonalize and assess a situation with more awareness and objectivity.

They foster appreciative, compassionate or caring modes that improve communication, satisfaction and performance outcomes. Often one intuitive insight gained from using a HeartMath tool has solved a problem that has kept an individual or workplace embroiled in chaos. The results of practice are not only beneficial in the moment of crisis or challenge, but because they are based on fundamental physiological principles, they also create a re-patterning of old habits and behaviors which can be life- changing. From an organizational perspective, as individuals' coherence and resilience increases, workplace climate, creativity, morale and productivity are all enhanced.

For example, if you pause right now and focus on something in your life that you appreciate, perhaps your spouse, child, pet, garden, new car, or anything that evokes a genuine feeling of appreciation, you can smooth out and bring more coherence to your heart rhythm patterns. Just focus on the positive feeling of appreciation and let it expand through your body. If you do this for an entire minute it could change the rest of your day. What you perceive, how you feel, and what you decide to do next could be different than before you did this simple exercise in appreciation.

### Assessment Outcomes

World-class companies like Sony, Shell, Cisco, Boeing, Unilever, BP, and Liz Claiborne, are providing HeartMath programs to executives and teams, training in house trainers to deliver the programs, and providing Freeze-Framer heart rhythm software to employees. Stakeholders from main board members to executives to middle managers to front-line workers have significantly decreased their anxiety, anger, overwhelm and intent to leave their job, as well as significantly reduced their stress symptoms, and have been able to sustain these improvements through practice of the HeartMath tools long after the training. For one Fortune 100 technology company, pre and post-data showed that the percentage of employees who frequently experienced anger was reduced from 42 percent to 9 percent after three months. Surveys of nearly 1,400 employees at five global companies showed the following pooled results after six months:

- 60 percent reduction in anxiety,
- 45 percent reduction in exhaustion,
- 41 percent reduction in intent to leave the job,
- 24 percent improvement in the ability to focus,

- 25 percent improvement in listening ability,
  - 17 percent improvement in home/work conflict.
- Composite Case Study

## Business Heart

A climate of increased organizational coherence is palpable and can be felt by all. A work environment where people move and flow with greater equilibrium and warmth, treat each other with compassion and care and have more available intelligence to cut through challenges in a way that's best for all concerned, is a satisfying place to spend eight or more hours a day. HeartMath's tools help organizations establish such an environment and achieve these results by providing leaders and managers with tools to develop what we call "business heart." This means aligning heart and brain for effective decision making.

In today's world, leaders need to be smarter and more intuitive than before. They need to enable people to maximize their potentials. A leader with business heart is not soft, but knows that a strong heart and clear head are both essential. As Daniel Goleman so eloquently puts it, "No creature can fly with just one wing. Gifted leadership occurs where heart and head – feeling and thought – meet. These are the two wings that allow a leader to soar." (Primal Leadership p. 26)

It's time to for leaders and organizations to understand the role of the heart in human physiology and performance and to develop the heart, not as a soft skill but as a measurable hard skill, an inner technology needed for coherence. People are hard wired for coherence but it takes the heart to activate it.

## Building Coherent Business Models

Coherence is an alignment of energies that facilitates the higher organizational intelligence capacities of the human brain. Coherence in individuals and between teams can cut through decision-making and

business processes that are complex and time consuming. As the physiological basis of coherence becomes more widely understood, companies will see coherence as a key performance indicator. New business models and systems will emerge. It will be just common sense to structure org charts, write job descriptions and conduct performance reviews with coherence as a benchmark. The use of 360 degree feedback evaluations will become what they were intended to be - an iterative process to further growth rather than a release valve for incoherence, griping and blaming.

A leader is responsible for managing the equity – developing the assets and resources of the company – internal as well as external. It is the executive leadership who are mandated to develop an organization's knowledge capital, which must involve its emotional capital, or its knowledge will be non-optimized and wasted.

A leader's job is to see the bigger picture, hold the vision, energize others, inspire commitment, manage and coach, satisfy customers, and improve shareholder value. There has to be emotional alignment and organizational alignment for leaders to achieve this. Coherence develops these attributes and skills quickly. In the new business models, leaders will structure org charts and appoint positions and players who can build coherence and sustain alignment between the organization's mission, vision, values, strategies, goals, and tactical plans. It's organizational coherence that bridges values with measured outcomes, which is often the missing element to actualizing strategy and achieving results.