

BPIR Management Brief : Issue 3 - Emotional Intelligence (EI)

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Welcome to the third issue of the BPIR.com Management Brief, a member benefit of the Business Performance Improvement Resource, www.bpir.com. The Management Brief series provide short, easily digestible research summaries based on specific topics or tools. Summaries include comments from experts, case examples, and survey analyses. Topics for the briefs are based on those submitted as requests through our members' Research Request Service at www.bpir.com. Read and absorb, then pass on to your staff/colleagues to do the same.

Emotional Intelligence (EI) - definition

Emotional Intelligence (EI) may be defined as the ability to process emotional information, particularly as it involves the perception, assimilation, understanding, and management of emotion.

The stage

It is being increasingly recognised throughout the business and research worlds that rational intelligence or IQ (intelligence quotient) is only a small influence on the success of individuals in their chosen private life and in the organisations they work for. Today, emotional intelligence or emotional quotient (EQ) is considered to have a significant impact on success in life and work. That is, what we know is being considered of less importance in our success than the interpersonal, emotional, and social skills we have.

Individuals can develop and enhance their EQ, and organisations can provide training and support to develop the EI skills both their staff and organisation need for success.

Expert Opinion

Intelligence testing is a form of psychological testing of an individual's capacity to learn and deal effectively with his/her environment. The IQ (intelligence quotient) is the score of an intelligence test, and is a statistically derived number that indicates the score of an individual on a particular intelligence test, often compared to their age-group. The Wechsler Adult Intelligence Scale is the most widely used individually administered IQ test for adults and comprises of 11 subtests made up of six verbal subtests and five performance subtests. The test yields three IQ scores: Verbal Scale IQ, Performance Scale IQ, and Full Scale IQ.

We have been led to believe that our IQ is the best measure of human potential. In the past 10 years, however, researchers have found that this isn't necessarily the case and that a person's emotional intelligence quotient (EQ) in actuality, is a greater predictor of success in life and work.

In the early 1990s, Dr. John Mayer, Ph.D., and Dr. Peter Salovey, Ph.D., introduced the term "emotional intelligence" in the *Journal of Personality Assessment*. They used this term to describe a person's ability to understand his or her own emotions and the emotions of others and to act appropriately based on this understanding. In 1995, psychologist Daniel Goleman popularised this term with his book *Emotional Intelligence: Why It Can Matter More Than IQ*.

Daniel Goleman, is co-director of the Consortium for Research on Emotional Intelligence in Organisations at Rutgers University. His research, case studies, and examples provide a strong case for the critical importance of (and potential for further developing), a specific set of emotional competencies that we all have. Goleman's research concludes "EI competencies are not innate talents, but learned abilities..." In his most recent book 'Primal Leadership: Realising the Power of Emotional Intelligence' he contends that there are 4 major domains (and clusters of competencies within these domains) that contribute to EQ. The four domains and their associated competencies are:

1. **Self-awareness:** which includes the major elements of emotional self-awareness, accurate self-assessment and self-confidence;
2. **Self management:** and the competencies of emotional self-control, transparency adaptability, achievement, initiative and optimism;
3. **Social awareness:** empathy, organisational awareness and service; and
4. **Relationship management:** inspirational leadership, influence, developing others, change

catalyst, conflict management, building bonds and teamwork, and collaboration.

Bachman, Stein, Campbell and Sitarenios (2000), in their study of EI in debt collection, see EI as pertaining to "...the emotional, personal, social and survival dimensions of intelligence, rather than the strictly cognitive skills related to learning, memory, recall, thinking, and reasoning". These experts also see an EI score (gained from being tested), as a predictor of success in life and that it can also "...reflect one's current coping skills, ability to deal with daily environmental demands, degree of 'common sense' and ultimately, overall mental health".

An individual's IQ (or cognitive ability) is considered to remain relatively fixed throughout life. On the other hand, EQ is considered to develop with age and experience, and through effort can be improved at any age. For most people EQ increases with advancing maturity, particularly as people learn to become more aware of their emotions, become more empathetic with others and learn how to handle difficult relationships and social situations.

It is considered that how well an individual (and the organisation they work for) does???? in life is determined by both IQ and EQ. However, Michael Akers and Grover Porter (2003), professors in accounting state that "In fact psychologists generally agree that among the ingredients for success, IQ counts for roughly 10% (at best 25%); the rest depends on everything else - including EQ". In a study they cite of Harvard University business, law, medicine, and teaching graduates it was shown that a negative correlation exists between an IQ indicator (entrance exam score) and subsequent career success". They also consider that "As individuals our success and the success of the profession today depend on our ability to read other people's signals and react appropriately to them. Therefore, each one of us must develop the mature EI skills required to better understand, empathise and negotiate with other people - particularly as the economy has become more global. Otherwise success will elude us in our lives and careers".

Other writers have taken the essence of Goleman's work with many specifically focusing on the domains and their competencies in relation to organisational leadership. Katie Dearborn (2002) a personnel analyst in the Human Resources Department at the City of Gresham noted that "In the last ten years, the emergence of the emotional intelligence (EI) phenomenon has jolted traditional views of what it takes to be an effective leader". Janet Macaluso (2003) the founder of *Learning2LEAD* sees the best leaders as those who possess EI and tap into this in others - "They discern feelings in themselves and in

others, and use this knowledge to positively impact business outcomes...High EQ leaders attend to both the business and emotional needs...Typically leaders who learn to judge the person's emotion...are more successful in their business and personal relationships". Dearborn refers to this differentiating factor in leaders as the EI 'smarts'.

Other writers focus on the EQ skills in industry. John Tomer (2003) of the Department of Economics and Finance at Manhattan College in New York notes that "...different kinds of emotional competence are required by different industries, organizations and jobs. Thus individuals who improve their EI and emotional competence in ways that match the demand of their work situation can be expected to raise their job performance". He further writes "Each and every occupation has a unique profile of emotional competencies that along with cognitive intelligence, education, training, mentoring, and supervising, would be necessary for excellent performance", and "Because of the relative importance of emotional competencies in successful job performance, it makes sense for companies to assess jobs to determine their emotional competence requirements and to recruit employees with these competencies or to help existing organization members develop the needed competencies".

Whether you are a leader or an employee of an organisation, the advantages that are to be gained from practicing and further developing EQ competencies include:

- The recognition of the EQ skills that are required within the organisation for it to be successful, and supportive of stakeholders and staff;
- A better understanding by staff of their emotional competencies and an ability to align their competencies with those needed by the organisation;
- Increased trust from, and between, internal and external stakeholders.
- Increased employee satisfaction and communication; and
- A more open-minded organisational culture in which the interests of the employer, employees, customers, suppliers and other stakeholders are enhanced.

EQ can have more explicit applications in the following areas:

- Communication between and among staff members;
- Conflict resolution;
- Customer service;
- Hiring, placement and staff turnover;

- Training and development;
- The development of a corporate culture or climate;
- Productivity;
- Leadership development.

For example, entrepreneurs or those involved in innovative business ventures, may need to develop additional skill in the major domain of 'Self Management' and the competencies of emotional self-control, transparency, adaptability, achievement, initiative, and optimism. An organisation whose focus is on the sale of consumer items using a force of sales representatives may determine the need for staff to develop increased skill in the domain of 'Relationship Management' and the competencies of inspirational leadership, influence, conflict management, building bonds and teamwork, and collaboration.

How to develop and/or enhance your own EQ skills or those of your staff

Katie Dearborn states "Traditional training curriculum and delivery around topics such as Effective Listening Skills and Interpersonal Communications fall short of developing emotional intelligence competencies...The 'one-size-fits-all' approach...is not ineffective as it ignores our individual complexities". She states that classroom learning is only part of the journey in developing EI competencies and that "Ultimately, self-awareness, self-directed learning, and practice with coaching create the results".

Goleman's work also calls for a less traditional approach, to one that features individualised and self-directed learning plans based upon assessment of the needed competences of the individual. His suggestions include using a form of needs assessment to identify personal EI strengths and gaps, creating a learning agenda to reduce any gaps, active and frequent practice and experimentation, and use of a coach to regularly benchmark progress.

The importance of tailoring training in EQ competencies is also supported by Akers and Porter. They suggest the following checklist for emotional competencies training that they have adapted from Goleman's 1998 book *'Working with Emotional Intelligence'*:

- Assess the job and design training based on the competencies needed for excellence in a given role or job;
- Assess the individual, their strengths and limitations, and tailor training to those needs;

- Deliver your assessments using all your EQ skills;
- Gauge the individual's readiness for EQ training;
- Motivate people to want to learn and highlight how training will pay off on the job or for the individual's careers, or be otherwise rewarding;
- Make change self-directed and have individuals set their own goals for development. Provide assistance with planning for these goals;
- Focus on clear and manageable goals and the specifics of the competency required;
- Help to prevent relapses, and use lapses and slip-ups as lessons to prepare to do better next time;
- Give performance feedback through coaching, mentoring, and progress reviews;
- Encourage practice and promote naturally arising opportunities as times for practice of new skills;
- Arrange support and encourage individuals to develop a network for support and encouragement such as buddies, coaches, or mentors;
- Provide models for individuals of those who may be high-status or highly effective and that embody a specific competency - this can be used to help inspire change;
- Encourage and provide an environment that supports, values, and provides a safe environment for the development of new competencies;
- Encourage change that fits the values of the organisation and show that the competency matters to job placement, promotion, and performance review;
- Reinforce change through recognition, praise, a pay increase or added responsibility; and
- Evaluate and measure progress, ideally before and after training and several months later, and if possible after 1-2 years.

One of the key domains of EQ is 'social awareness' and within this is the competency of empathy. Janet Macaluso (2003) views empathy as a crucial leadership skill and suggests the following strategies to increase this skill:

- Pay attention to body language and notice both your own and others subtle shifts in facial expressions, eye contact, and energy levels;
- Listen more than speaking and listen to tone of voice, intensity, and pace;
- 'Get curious not furious' and reframe negative emotions into ones of curiosity;
- Elicit pride in others;
- Use silence;
- Try to recognise people's feelings by observing them in public places and on TV;

- Prepare for meetings by trying to understand how stakeholders might 'feel' about certain issues, changes, or projects; and
- Realise emotions are contagious and people will 'catch' the dominant person's emotions and 'infect' others.

Research Data

Two studies conducted by Backman et al on EI and debt collection hypothesised that working with EI would enable account officers to achieve greater success in collection of debt. This included being able to obtain a greater percentage of 'cash goal' per month from collecting debts and the ability of debt collectors not to be 'hijacked' by such scenarios as 'over identification' with helpless customers or hopeless situations, aggressive customers, or those that could seduce collectors through sweet talking or persuasiveness. Results of these studies indicate that well-developed EI plays a vital role in successful collections with those scoring higher in EI achieving greater cash goals from their collections. Their 'best practices' group scored higher than the 'less successful group' on all four EQ scales tested e.g. intrapersonal, interpersonal, adaptability, stress management and general mood.

Example cases:

Learn valuable lessons from these organisations:

Maricopa Association of Governments (MAG)



- Coaching benefits staff

Maricopa Association of Governments (MAG), recognised that many of its personnel required high components of EI to effectively fulfil their roles within the organisation. Developing partnerships, collaboration, and working with elected officials/citizens required empathy, flexibility, impulse control, and non-confrontational relationships. MAG implemented an EI assessment, training, and coaching program that was made available to all staff on a voluntary basis. The comprehensive programme had six phases: (1) organisational assessment, (2) implementation planning, (3) individual assessment, (4) development, (5) integration, and (6) evaluation. 360-degree assessments involving interviews with employees' managers, peers, and subordinates as well as selected internal and external customers were conducted. Follow up and ongoing support was also offered. MAG reported enhanced staff morale, commitment, job satisfaction, and employee retention as benefits associated with the EI coaching programme.

The US Air Force



- EQ saves \$3M in recruitment costs

Recruitment costs in the US Air Force (USAF) were cut by a minimum of \$3M annually due to its practice of choosing recruiters based on EQ-I criteria. The USAF found that the EQ-I areas of Assertiveness, Empathy, Happiness, and Emotional Self Awareness were the most significant in the most successful recruiters and using the EQ-I enabled them to become three times better at predicting successful recruiters. This approach was so effective that it prompted a report to be made to Congress suggesting that the all US Forces should adopt it.

L'Oreal



- L'Oreal saves \$91,370 annually

Salespeople at L'Oreal selected based on EI criteria proved more successful than others. This success gap translated into \$91,370 annually. L'Oreal salespeople selected via emotional competence criteria were also more likely to stay longer at the company having 63% less turnover during the first year after training.

Summary

EI is an important factor in the life and success of an individual and the organisation that they work for. The competencies required to be most effective may vary with personal circumstances, the organisation's requirements, and the work role that an individual fills. However, unlike IQ, EQ can be developed and worked upon. Within organisations, a tailored training approach is the method that works best to develop the EQ skills of employees, and the results of using EQ to select or develop staff can have significant impact on financial performance.

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