

Emotional Intelligence

The Business Case for EQ

To re-phrase an old dictum: Success is not what you know, but *who* you know, and *how well you manage those relationships!*

When everyone is on the same level with regard to education, technical know-how, and mental ability, what seems to distinguish the star performers from the rest of the pack is their ability to persuade and influence through relationships. This has become known as one of the core competencies of emotional intelligence (EQ). No longer regarded as just “soft skills”, EQ can make a significant difference to bottom line results as well as more sustainable and productive relationships.

For example, sales agents for a cosmetics firm who were selected on the basis of EQ sold \$91,370 more than other salespeople did, for a net revenue increase of \$2,558,360. They also had 63% less turnover during the first year than those selected in the typical way (Spencer & Spencer, 1993).

Professor of organizational behaviour at Case Western Reserve University, Richard Boyatzis used information about the profits generated by partners at a large financial services firm. He found that strengths in the *Self-Awareness* cluster of emotional competencies added 78% more incremental profit. Strengths in the *Relationship Management* emotional competencies added 110% more, and strengths in the *Self-Management* cluster added 390% more profit! In other words, partners with a higher degree of emotional intelligence added more profit than those partners who exhibited lower EQ, despite the fact that high IQ was a common denominator for all partners (reported in Goleman, 2001a).

IQ Meets EQ

So what is emotional intelligence? Research over the past 25 years suggests that it is the ability to perceive, express, understand, and manage emotions, as distinct from general intelligence (IQ) which focuses exclusively on *general mental abilities*, such as memory and problem solving.

When the term *emotional intelligence* was first coined in 1990, researchers Salovey and Mayer defined it as an ability to use information about feelings and emotions across four dimensions:

- The ability to accurately perceive emotions
- The ability to use emotions to facilitate thinking, problem solving, and creativity
- The ability to understand emotions and emotional knowledge
- The ability to reflectively regulate emotions for personal growth.

But it was Daniel Goleman’s 1995 book “Emotional Intelligence” which created the real marketing buzz, setting off a string of articles in the popular press (e.g. Gibbs, 1995). Goleman formulated

EQ in terms of four major domains: *Self-Awareness*, *Self-Management*, *Social Awareness*, and *Relationship Management*. "Self-awareness", he says, " facilitates both empathy and self-management, and these two, in combination, allow effective relationship management". Goleman (1998) later made a distinction between emotional intelligence and *competence*. "Although our *emotional intelligence* determines our potential for learning the practical skills that underlie the four EQ clusters, our emotional *competence* shows how much of that potential we have realized by learning and mastering skills and translating intelligence into on-the-job capabilities".

The emotional intelligence competencies defined by Goleman, Boyatzis & McKee (2002) are:

Self-Awareness

- *Emotional self-awareness*: Reading one's own emotions and recognizing their impact.
- *Accurate self-assessment*: Knowing one's strengths and limits.
- *Self-confidence*: A sound sense of one's self-worth and capabilities.

Self-Management

- *Emotional self-control*: Keeping disruptive emotions and impulses under control.
- *Transparency*: Displaying honesty and integrity, trustworthiness.
- *Adaptability*: Flexibility in adapting to changing situations or overcoming obstacles.
- *Achievement*: The drive to improve performance to meet inner standards of excellence.
- *Initiative*: Readiness to act and seize opportunities.
- *Optimism*: Seeing the upside in events.

Social Awareness

- *Empathy*: Sensing others' emotions, understanding their perspective and taking an active interest in their concerns.
- *Organizational awareness*: Reading the currents, decision networks, and politics at the organizational level.
- *Service*: Recognizing and meeting client needs.

Relationship Management

- *Inspirational leadership*: Guiding and motivating with a compelling vision.
- *Influence*: Wielding a range of tactics for persuasion.
- *Developing others*: Bolstering others' abilities through feedback and guidance.
- *Change catalyst*: Initiating, managing, and leading in a new direction.
- *Conflict management*: Resolving disagreements.
- *Building bonds*: Cultivating and maintaining a web of relationships.
- *Teamwork and collaboration*: Cooperation and team building.

Goleman (1998) has claimed that for all kinds of jobs, differences in emotional competencies are twice as predictive of successful job performance as are technical skills and IQ combined. " IQ may be a stronger predictor than EQ of an individual's career success", he says. "But only because it acts as a *threshold* of entry. Within a job or profession, who rises to the top and who plateau's is more strongly predicted by EQ than IQ" (Goleman, 2001b).

EQ however, seems to have a significant overlap with personality factors. For example, *conscientiousness* is a core personality characteristic described as: responsible, careful, persevering, orderly, hardworking, planful. Another important personality factor is *emotional*

stability, described as: secure, stable, relaxed, self-sufficient, not anxious, and tolerant of stress. Both of these are consistently valid predictors of job performance across a range of occupations (Barrick, et al, 2001). *Conscientiousness* however, may be closely associated with the EQ dimension of self-regulation of emotions, and *emotional stability* with the EQ domain of stress management. Other personality characteristics also seem to map onto EQ descriptions.

Extraversion is described as: talkative, assertive, adventurous, energetic, which closely resembles the EQ dimension of social skills. *Agreeableness* (good-natured, flexible, cooperative, caring, trusting, tolerant) appears to overlap with the EQ factor of empathy (Ciarrochi, et al, 2001).

Whether or not EQ exists independently of what is already known from the fields of personality, intelligence, and applied psychology, the notion of emotional intelligence has wide appeal, both conceptually and practically. And research is beginning to show that EQ is a stand-alone characteristic. For example, a recent study by Ben Palmer from the Organisational Psychology Research Unit at Swinburne University found that 41% of the reason for effective leadership was explained by the EQ competency of *understanding emotions*, over and above personality alone (Palmer, et al, 2003).

Oh What a Feeling!

How does EQ make a difference to the manager/coach-client relationship? Most managers rely on the “argument of numbers” to influence clients. Both the accuracy and the “appeal” of information is assumed to be the major factor in winning and sustaining client relationships. Emotions are an unnecessary complication in a field dominated by evidence-based decisions.

Yet, it may be impossible to separate emotion from logic. Science is increasingly recognizing the importance of emotion for the fundamental tasks of survival and adaptation. Emotions are our *first* response to the outside world. We *feel*; then we think. Not the other way around (Damasio, 1999). Emotion facilitates decision-making, has significant influence on learning and memory, and provides the motivation for critical action (LeDoux, 1996). Intellectual abilities like verbal fluency, spatial logic, and abstract reasoning have been located in specific areas of the neocortex of the brain. In contrast, the circuitry for emotion extends from the limbic (primitive brain) areas of the amygdala and hippocampus right throughout the brain to areas in the prefrontal cortex, the brain’s executive centre (Davidson, Jackson, & Kalin, 2000). In other words, thinking is indivisible from, and influenced by, feeling (Damasio, 1999).

We use our “emotional circuitry” to read another person’s face and voice for emotion, and attune our responses accordingly. Getting “on the same wavelength” with a client is a distinguishing feature of a successful adviser-client relationship. It seems that our emotional circuitry also attunes our biology to the dominant range of feelings being expressed so that emotional states converge creating a harmony between interlocking brains – what Lewis, Amini, & Lannon (2000) have called *limbic resonance*.

Whether a manager is resonating positive or negative feelings can influence the nature of the relationship. Positive mood has been shown to directly influence the mood of others in teams and

work groups (Totterdell, et al, 1998; and Totterdell, 2000). So, empathy is not a kind of “warm and fuzzy” sentimentality, but a critical component of social effectiveness, creating resonance and harmony in relationships. Empathetic managers are outstanding in meeting the needs of clients. They seem approachable, wanting to hear what the client has to say. They listen carefully, picking up on what the client is truly concerned about, and they respond accurately. Conversely, the tuned-out, dissonant manager is one of the main reasons clients complain.

Managers who successfully manage their feelings are also more likely to handle disagreements with clients effectively. Feeling anxious or upset shows up in the brain as elevated activity, particularly in the amygdala. As negative emotion becomes elevated the prefrontal cortex gets aroused causing us to fixate on the cause of our distress. This emotional circuitry forms a closed loop driving or reverberating the brain’s executive control function so that we become captured by our emotions. Goleman, Boyatzis & Mckee (2002) called this pattern an “amygdala hijack”.

Typically, the disagreeable client provokes irritation in the manager, who then feels angry in return. But when the manager does not return aggression and remains in a positive mood, then the client with the aroused amygdala has a chance to calm down, or at least not become more provoked.

Professor Neil Ashkanasay from the University of Queensland Business School outlines a number of tools for managing emotions that are applicable to manager/coach-client relationships (Ashkanasay, Zerbe & Härtel, 2002):

- *Maintain open and quality communication:* Provide regular, high-quality information to clients to help reduce uncertainty and anxiety.
- *Display interpersonal sensitivity:* Quickly and appropriately express regret for any adversity experienced by the client as a result of your decisions. This displays personal ethicality and trustworthiness.
- *Manage “emotional events”:* Deal directly and immediately with emotions expressed by the client or felt by you personally. Accurately identifying emotions in the moment shows understanding and empathy.
- *Recognize the role of both intuitive and analytical decision-making:* Intuitive decision-making can be expected when problems are ill defined or unusual. It may be the preferred style for experienced managers who are more emotional in outlook, more risk tolerant, and more creative.
- *Engender a positive outlook:* A creative intuitive style to management is associated with positive mood in the client as long as the manager keeps his or her focus on the task.
- *Effective decisions require an optimum mix of cognitive intellect and emotional regulation:* The most effective approach to decision-making incorporates emotional intelligence as a means to augment cognitive intelligence. Emotions must be managed in a way that maximizes the advisers’ cognitive abilities.

Finally, EQ-based competencies seem to play a greater role in the performance of leaders at higher levels in organizations: “The higher the rank of those considered star performers, the more EQ competencies emerged as the reason for their effectiveness,” says Goleman. Despite the need

for further research to properly identify what emotional intelligence really is, Goleman and his colleagues sustain the popular belief that, “purely mental abilities help – but EQ competencies help far more” (Goleman, Boyatzis, & Mckee, 2002).

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