

## EMOTIONAL INTELLIGENCE – A KEY FOR EFFECTIVE EMPLOYEE MANAGEMENT

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**“When dealing with people, remember you are not dealing with creatures of logic,  
but with creatures of emotion” - Dale Carnegie**

### **Abstract**

*Emotional intelligence is a new discipline that has caught the attention of the of the industry and it is rightly said that to get a job you need intelligence quotient but to get promoted in your job you need emotional quotient.*

*Typically, "emotional intelligence" is considered to involve emotional empathy; attention to, and discrimination of one's emotions; accurate recognition of one's own and others' moods; mood management or control over emotions; response with appropriate (adaptive) emotions and behaviors in various life situations (especially to stress and difficult situations); and balancing of honest expression of emotions such as courtesy, consideration and respect (i.e., possession of good social skills and communication skills). The results of a research carried out to study the relationship between Emotional Intelligence and Leadership Style is presented in this paper.*

### **Definition of EI**

"A leader's intelligence must have a strong emotional component. He has to have high levels of self-awareness, maturity and self-control. She must be able to withstand the heat, handle setbacks and when those lucky moments arise, enjoy success with equal parts of joy and humility. No doubt emotional intelligence is rarer than book smarts, but my experience says it is actually more important in the making of a leader. You just can't ignore it." ( **Jack Welch, Chairman of General Electric Speaking to the wall street journal** )

"Research shows convincingly that EQ is more important than IQ in almost every role and many times more important in leadership roles. This finding is accentuated as we move from the control philosophy of the industrial age to an empowering philosophy of the knowledge worker age" ( **Dr.Stephen Covey, Author of the 7 Habits of highly effective people** )

Along with strong IQ, a leader need to have a strong emotional component. In other words, leaders not only need the ability to plan & execute tasks, but also need qualities to enable them to deal with employees who have feelings, emotions and different value systems. The leaders need to embed the various emotional intelligent components like empathy, intuition, creativity, flexibility, resilience, stress management, integrity, happiness and optimism, intrapersonal and interpersonal communication skills, besides, having high levels of self-awareness, maturity and self-control, withstanding pressures, handling failures and enjoying success.

Leaders who excel in this, create a reservoir of positivism that unleashes the best in people. Emotional intelligence components not only impact every work place relationship and interaction; they influence areas like job satisfaction, engagement and team morale.

It is seen that many people possess excellent technical and executive skills but lack emotional intelligence and hence do not achieve success, which is normally expected. EQ accounts for nearly 60% of job performance. Studies of close to 500 organizations worldwide indicate that people, who score highest on EQ measures, rise to the top of corporations.

Extensive research into leadership and emotional intelligence has also given convincing proof that leaders are leaders in major part on account of having

higher EQ, which is equally if not more important than IQ.

The researcher therefore chose to link leadership style with EI and study their relationship.

### **Leadership Styles impacting emotional intelligence**

There are two major leadership styles – resonant and dissonant styles. Leaders demonstrating resonant style have the ability to boost an organization's performance by utilizing positive emotional experiences which impel groups toward optimism. Resonant leaders talk truly from their own values and reverberate with the emotions of people around them.

For instance, a manager of a fast food outlet who proved to be the heart and the soul of his outlet turned out the winner of three consecutive performance awards. In a situation where he was surrounded by insensitive people having uncontrollable tempers, this manager stood out as an unruffled, composed, highly likeable exception-embodiment of collaboration and teamwork competencies in action. This manager helped his people, whether those going through difficult times on job, or fighting personal tragedies.

Conversely, the other style, dissonant style is adopted by leaders, who believe that they are pace-setting (where constant focus is on results at all costs) and commanding (top-down, authoritative approach). Dissonant

leaders drive teams in the direction of aggression and unfriendliness. They form a toxic work culture, lack EI competencies like empathy, collaboration, caring about bringing out the best in people, etc.

### Measuring EQ in leaders

Considering the importance of EI in the makeup of a leader, a need was felt to measure EQ. Some of the ways of measuring EQ include Reuven's Bar-On (1997), the first scientific test, which is a 133-item inventory designed to assess five major aspects of EI: intrapersonal, interpersonal, adaptability, stress management, and the general mood. The Leadership Dimensions Questionnaire (LDQ) assesses three leadership dimensions linked to intellectual competencies. And the Multifactor Emotional Intelligence Scale (MEIS) comprises of evaluating emotions on faces and silhouettes, evolving and reasoning with an emotion, explaining multifaceted emotional language, and choosing a sound emotional decision-making strategy.

Conversely, IBM measures EI for its selected leaders on a third party assessment tool, which is reliable and validated. The assessment is a prerequisite for IBM's EI training programs. The assessment tool consists of a set of questions designed to measure how often the respondent believes that he demonstrates emotionally intelligent behaviors at work. "We use a multi-rater assessment which is done at 360 degrees to assess the leader. The report brings

out relative EI strengths of the employee and the developmental areas that the employee to undergo".

### High EQ leaders

Research has proven that 90% of successful leaders have high EQ; however there are some specific capabilities that they flourish in, like conflict resolution, decision making, influencing, communication, negotiations, and developing talent. The EQ leadership involve:

- the leader commits to co-creating an organization in which individuals do their best to attain goals
- promotes employees to develop and express a common vision and mission that is inspiring
- shares authority and responsibility with people
- pushes individuals to work interdependently to reach a common goal
- co-creates an environment where people respect each other, believes in their own self-worth and value genuineness
- co-creates methods that enable meaningful and sincere participation
- uses his/her personal power to make best decisions, however avoiding to be treated as a "Superman"
- As the organization matures, employees see themselves as leaders.

## EQ in men and Women

It is believed that men and women differ in the way they exhibit EI. Some EI competencies are well displayed by women and some by men. For instance, women have much stronger interpersonal skills than men, but, men have higher sense of self and independence. This depicts that women are more aware of their own feelings and those of others and are able to connect much better with people interpersonally than men. Men, however, score highly on self regard and independence than women and are able to deal better with

stressful situations. The implication here is that in past men dominated the top positions. Peters has found in general, women are having higher EQ as compared to men because of their greater need for connecting and being better at expressing emotions and at reading emotions. She feels this is because of their nurturing roles and social conditioning. They are also better at developing social strategies and have more holistic approach towards situations. They are better at conflict resolution. Men on the other hand, do not exhibit such skills, opines Peters.

**Emotional Intelligence model which is a combination of Personal and Social Competencies**

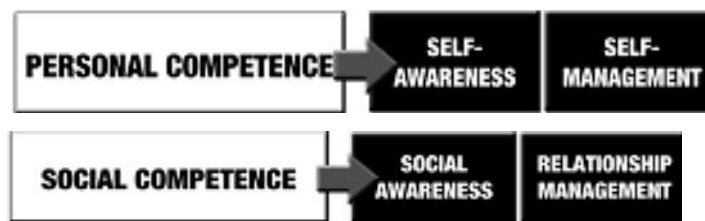


Fig.1

**Different competencies of Emotional Intelligence resulting in high performance**

**1 Empathy as a EI competency – Increased Sales at Life Insurance Company**

In a National insurance company, insurance sales agents who were weak in emotional competencies such as self-confidence, learned optimism, initiative,

and empathy sold policies with an average premium of \$54,000.

Those who were very strong in at least 5 of 8 key emotional competencies sold policies worth \$114,000 (Hay/McBer Research and Innovation Group, 1997).

**2 Better Performance as an EI competency - Improved Executive Performance and retaining them in**

### **the organization in a Multinational Beverage Firm**

In a large beverage firm, using standard methods to hire Division Presidents, 50% of them left within two years, mostly because of poor performance. When they started selecting Division Presidents based on emotional competencies such as initiative, self-confidence, and leadership, only 6% left in two years.

The executives selected based on emotional competence were far more likely to perform in the top slot based on salary, bonuses for performance of the divisions they led: 87% were in the top slot. In addition, division leaders with these competencies outperformed their targets by 15 to 20 percent. Those who lacked them under-performed by almost 20% (McClelland, 1999).

### **3 Understanding self and others as an EI competency - Social Skills Training for Supervisors Leads to Productivity Gains in Manufacturing**

Shop floor supervisors in a manufacturing plant received training in emotional competencies such as how to listen better and help employees resolve problems on their own. After training:

- lost-time accidents were reduced by **50 percent**

- formal grievances were reduced from an average of **15 per year to 3 per year**
- The plant exceeded productivity goals by **\$250,000** (Pesuric & Byham, 1996).

### **4 Effective Emotional Self – Management as an EI competency -Accurate Self-Assessment Leads to Superior Performance in Managers**

One of the foundations of emotional competence -- **accurate self-assessment** -- was associated with superior performance among several hundred managers from 12 different organizations (Boyatzis, 1982).

### **5 Self-Regulation Produces Success in Store Managers**

Another emotional competence, the ability to handle stress, was linked to success as a store manager in a retail chain. The most successful store managers were those best able to handle stress.

Success was based on net profits, sales per square foot, sales per employee, and per dollar inventory investment (Lusch & Serpkeuci, 1990).

### **6 Self–Awareness as an EI Competency– to develop successful recruiters**

The US Air Force used the EQ-I to select recruiters (Front-line HR personnel) and found that the most

successful recruiters scored significantly higher in the emotional intelligence competencies of Assertiveness, Empathy, Happiness, and Emotional Self Awareness. The Air Force also found that by using emotional intelligence to select recruiters, they increased their ability to predict successful recruiters by nearly three-fold. The immediate gain was a saving of \$3 million annually. These gains resulted in the Government Accounting Office submitting a report to Congress, which led to a request that the Secretary of Defense order all branches of the armed forces to adopt this procedure in recruitment and selection. (The GAO report is titled, "Military Recruiting: The Department of Defense Could Improve Its Recruiter Selection and Incentive Systems," and it was submitted to Congress January 30, 1998. Richard Handley and Reuven Baron, provided this information.)

### **7 Optimistic thinking as an EI Competency – leads to increased productivity**

Optimism is another emotional competency that leads to increased productivity. New salesmen at Met Life who scored high on a test of "learned optimism" sold 37 percent more life insurance in their first two years than pessimists (Seligman, 1990).

### **Research Study**

Having studied the relationship between emotional competencies and performance it was also thought

essential to understand its positive impact on corporate employees. An interview schedule was prepared and administered on 50 managers/ CEOs in different sectors/ industries. The following inferences were drawn.

### ***Inferences***

1. **60%** of the corporates was not using any emotional intelligence competency to improve the performance of their employees or to retain their employees.
2. **15%** of the leaders of the organization revealed that they are not aware of emotional intelligence competency. Remaining **25%** stated that they do use emotional intelligence competency at the time of setting the KRA's(Key result area) for their employees and they also stated that these competencies had a positive impact on their employees which resulted in retention of the employees and improvement in the performance of the employees.
3. There is a difference in emotional intelligence competency between men and women leaders and the competency empathy is more on women leaders when compared to male leaders.
4. The study basically helps to point out the importance of Emotional

Intelligence as a valuable assessment mechanism in employee recruitment, retention and management.

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