

Emotional Intelligence

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Executive Summary

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As soon as people are interacting emotions are involved. Even if no one is around we still have to deal with them. They affect our concentration, our effectiveness in whatever we are doing and our success in any kind of relationship; no matter if at work or in private. Up to a certain point we are able to control them but they are also the source of our motivation and satisfaction. Without emotions we would have no drive to do anything.

Emotional Intelligence, as main human task in a company, becomes more and more important in the business world. Employees, including bosses, who are able to regulate own emotions, to control sadness and fear, to understand the feeling of others, and have self-motivation, are called star performer. Bosses should also be star performer. They also have the ability to use their gut feeling emotionally intelligent and to solve conflict situations. Emotionally intelligent companies use teamwork in the way that their teams not only have the standard visible skills but also the invisible skills. Teamwork will then be more efficient and more intelligent. Emotional Intelligence can be learned, trained and developed. That is the most important advantage in contradistinction to standard IQ. Emotional Intelligence training programs are individual and complex. Using Emotional Intelligence in companies, there are some more advantages, like for instance employee retention, increasing productivity and efficiency. The level of service quality will also rise. If the company finds the right balance between human factors and financial goals, the company will stay competitive due to inter alia Emotional Intelligence.

Leaders who are trained in Emotional Intelligence can use the full potential of his employees and have lesser problems to set up or tighten business contacts. Emotional Intelligence anchored in a company's structure and philosophy can achieve a significant advantage in competition.

This assignment will give an overview of what Emotional Intelligence is and how it affects business relationships.

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List of Abbreviations

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B2B	Business to Business
EI	Emotional Intelligence
IQ	Intelligence Quotient

1. Introduction

What would you do if you would have one wish free? What is your most desperate desire? Would it be money or success, maybe power? Or would your wishes lead you in the direction of love and happiness? Self-realization, safety and any other desire of Maslow's pyramid of needs have emotional roots. They are the motor of everything we do. We want to feel happy, satisfied, safe (which is born out of fear) and somehow 'good'.

Emotions motivate us but also have the potential to control e.g. our body-reactions and even our doings. They give us social competence and influence, we can use them and can be used by them. The 'handling' of emotions is sometimes difficult but in some situation very important. If we are able to canalise them we can be more successful in work relationships as well in private relationships.

On the other hand bad emotional skills can 'backfire' at us for uncontrolled outburst of fury against a boss or a colleague can have bad consequences. Some people are more skilled in using emotions for the own advantage than others but we all have them. Can they be trained? How can I use them and where in live does they affect them?

These abilities are called "Emotional Intelligence" and this assignment will give you an overview of the term and the possibilities it offers.

2. Emotional Intelligence (EI)

2.1. The Context of Emotional Intelligence

Psychologists have proposed that understanding the emotions of oneself and others is the key to a satisfying life. On the other hand, those who are “emotionally illiterate” have to deal with misunderstandings, frustrations, and failed relationships (c.f. Roberts 2002, p. 3).

So undoubtful emotional intelligence is important in everybody’s life and can be a key to success in private and business relationships. But what is emotional intelligence exactly?

“EI refers to the competence to identify and express emotions, understand emotions, assimilate emotions in thought, and regulate both positive and negative emotions in the self and in others.” (see Roberts 2002, p. 3)

Ciarrochi (2001, p. 26) defines EI “as the ability to perceive, express, understand and manage emotions.”

We are emotional beings and if we would not have them nothing else would matter. Emotion can spontaneously affect our body processes and behaviour and we are often unaware of the reason for our feelings and can ‘catch’ others’ emotions (c.f. Fineman 2003, p. 8).

Sometimes emotions even control our behaviour. Goleman calls this “Emotional Hijacking” (c.f. Goleman 1995, p. 15 ff.) using the example of a father shooting by accident his own daughter in a stress situation. But besides these extreme situations we are in principle capable to control or at least direct our emotions so that we are able to use them for our advantage.

What we privately feel and what we publicly show are sometimes very different. There is the subjective element of emotions, what we feel and there is the displayed feature of emotion, what we show. When we show our feelings, our emotional performance, these feelings are heavily influenced by social conventions and the impressions we wish to convey to others. Feelings and emotions are usually short-term and attached to a particular object or occurrence. They come and go quickly. Some are intense and hard driving, others more subdued. Many are mixed, uncertain, ambivalent. Moods are not linked to any particular object or event; the cause or trigger is often obscure. Some people have more steady moods, others experience more frequent shifts in feeling (c.f. Fineman 2003, p. 8f.).

So we have to deal with several sorts of emotions, different intensities and durations and we are effected by the emotions of others what makes the field of emotions so complex. But we learn to deal with emotions from the beginning of our life on and therefore we are using them every day. Emotional Intelligence measures how good we are in this field of expertise.

2.2. EI in Everyday Life

In a working environment emotions seem to be disturbing and can be expensive. In a Tayloristic point of view the employee has to do his job effectively and with high quality. The leaders have to be competent in their specific area of expertise and decisions have to be made only by facts and figures, especially at Business-to-Business (B2B) transactions.

It became obvious that the decisions made by the end consumer are not only rational, but nearly always emotionally motivated. This is one reason why Marketing became so important. Marketing strategies and especially advertisements are using emotions very effectively and often the functionality of the product is not any more the subject but the feeling it releases. The advertisement for cars is a good example. Also it is a very technical product the advertisement is always highly emotional.

But also at the working space emotional influences are everywhere. They are the reasons why some teams work effectively together and others do not. Work efficiency is affected directly by the emotional interaction between employees, leaders, customers and suppliers.

Nearly every decision is emotionally affected. The only difference to the end consumer is that these decisions are legitimated by businesslike arguments. Just in the same way a husband might argue to his wife why a sports car is handy. With a high emotional intelligence argumentations like this one might even be winnable.

Emotional Intelligence affects relationships to all kinds of people a person has to deal with. No matter if it is in private or at work; emotional intelligence affects relationships, mental health and career success. On the other side someone who is not able to control e.g. his anger in the workplace might upset his coworkers, alienate his boss and even lose his job. Knowledge of the feelings of others is also important for establishing meaningful social interactions, romantic involvements, or to maintain a close circle of friends.

Figure 1 presents a model of the potential roles of EI in aspects of everyday life. Life events can be positive or negative and range from major events like marriage, the death of a family member, or a job promotion to everyday events like losing things, rejection, or being visited by a friend.

Life outcomes refer to the potential ways that people can adapt to these myriad life events. If a person experiences a series of stressful life events the outcomes will be negative as well. Regarding the mental health the outcome might be depressed and suicidal. The relationship quality outcome might be that they handle their emotions poorly and alienate friends and

family. They might be too stressed to perform creatively at work and therefore the work success outcome is negative. Even physical sickness is well known as caused by stress.

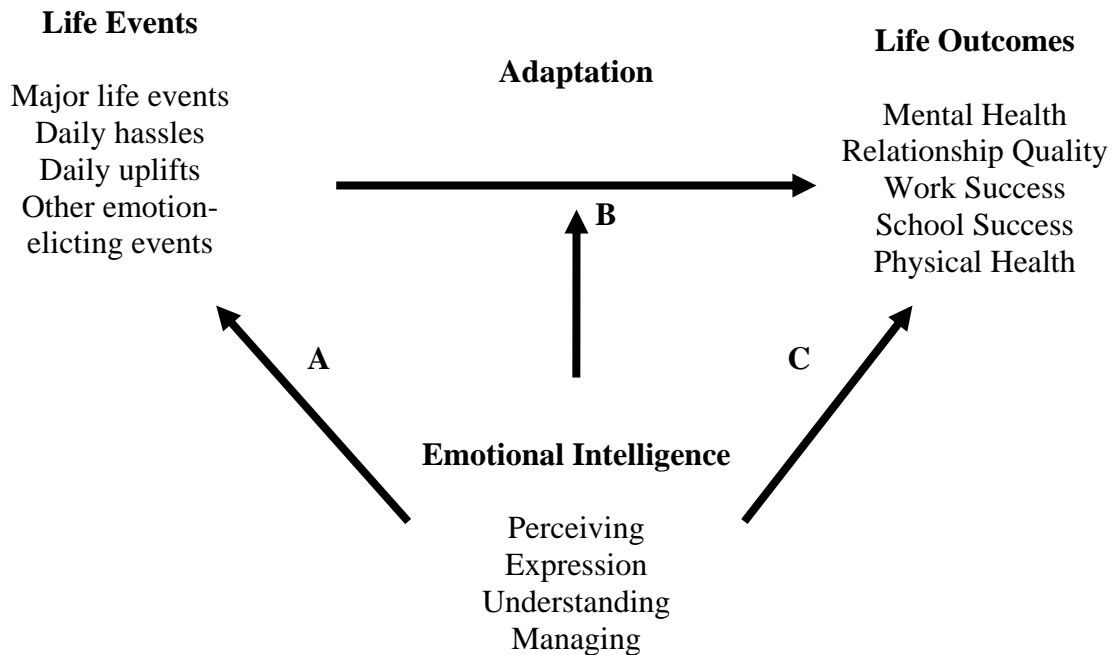


Figure 1: The potential roles of emotional intelligence in everyday life

Source: Ciarrochi, 2001, p. 26

People low in emotional intelligence will adapt poorly to stressful life events, responding with more depression, hopelessness, and other negative life outcomes. In contrast, persons with high EI show more adaptive responses to negative life outcomes. People with EI will arrange their lives in such a way that they experience fewer negative life events (Link A) and might be more skilled at establishing and maintaining high-quality relationships (Link C) (c.f. Ciarrochi 2001, p. 26 f.).

2.3. The source of emotions

“In humans the amygdale ... is an almond-shaped cluster of interconnected structures perched above the brainstem, near the bottom of the limbic ring. ... To this day these limbic structures do much or most of the brain’s learning and remembering; the amygdale is the specialist for emotional matters.” (see Goleman 1995, p. 17)

Also we know the area of the brain where emotions appear it does not really help us understand how emotions arise.

They can be roughly divided into four types (c.f. Fineman 2003, p. 9):

1. emotion as biological,
2. emotion as early experiences,
3. emotion as cognitive appraisal,

4. emotion as social

A biological perspective holds that we are programmed to respond emotionally. When under threat the reasoning of the heart (not the head) takes over. Possible future consequences are not measured in such an instinctive response. Emotional hijacking like the one Goleman describes are a good example for biological emotions (c.f. Goleman 1995, p. 15 ff.)

This perspective was fundamental to Charles Darwin's *The expression of the Emotions in Man and Animals*. He concluded that many of our emotional reactions are rooted in prehistoric patterns of survival.

“The more an emotional expression was recognized universally, the more likely it was to be part of our evolutionary inheritance. Darwin was convinced that there were universal emotions, and recent cross-cultural research tends to broadly support him, at least for a small cluster of emotions: fear, sadness, disgust and enjoyment.” (see Fineman 2003, p. 10). So we all have feelings and it is part of our nature to have them and we are able to see them at least at our own kind. Nevertheless the way we feel them or the characteristic of a single emotion and how capable we are to interpret, feel or to deal with them depends on the other three points mentioned above and how well trained in them we are.

Of course we have no possibility to influence our early experiences any more but to know how these experiences effect our today's emotion might help to understand and control these emotions even better. Which leads us to point three: emotion as cognitive appraisal. Up to a certain point it is possible to control the own emotion. This point is different by each person and might be an indicator of the emotional intelligence a person has.

An example for social emotions can be the “smile-back” phenomenon. A (honest) smile towards a person results mostly in a “back-smile” of this person. Of course this is not always the case and depends on the mood and other emotional influence by this person but in general it can be said that emotions can be transported from one person to another (c.f. Goleman 1995, p. IX ff.).

3. Emotional Intelligence in business

To illustrate what Emotional Intelligence is, James Dozier explained it with the following definition: Emotional Intelligence is “the ability to perceive an express emotion, assimilate emotion in thought, understand and reason with emotion, and regulate emotion in the self and others” (Cherniss, 2001, p.3).

Emotions are conditions that have human beings. They can be:

- anger
- fear
- sadness
- joy
- disgust
- surprise
- curiosity
- acceptance
- happiness

Talking about Emotional Intelligence in business, it is obvious that in nearly every situation that influences organizational work Emotional Intelligence plays a role. For example, in a business telephone call, a person, who learned how to use Emotional Intelligence, would never let the other hear his / her private sadness. This person learned to restrain his / her emotions effectively.

Not only to restrain own emotions is important. Another competence is at minimum of the same importance. Goleman defines it as:

“Emotional Intelligence refers to the capacity for recognising our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships” (Goleman, 1998, p. 317).

To be able to identify the feelings of, for instance a business partner, and to react analogously, leads to a good relationship between the partners. That is Emotional Intelligence, as well.

3.1. Emotionally Intelligence at work

Goleman found out that “emotional competencies were the best differentiators between star performers and typical performers.” He therefore analyzed 181 jobs in 121 organizations. The question to be answered is how to become a star performer.

3.1.1. Emotionally intelligent employees

“Emotional Intelligence is a different way of being smart. It includes knowing what your feelings are and using your feelings to make good decisions in life. It’s being able to manage distressing moods well and control impulses. It’s being motivated and remaining hopeful and optimistic when you have setbacks in working towards goals. It’s empathy; knowing what the people around you are feeling. And it’s social skill - getting along well with other people, managing emotions in relationships, being able to persuade or lead others”, (O’Neil, 1996, p.6). Correlating to this definition, one can assume that a star performer is surely a smart employee.

But he / she also should have or learn the following attributes:

- **Self- Awareness**

Self-Awareness is the possibility to understand better why another person feel a particular way.

- **Self-Regulation**

Self-Regulation is the ability to control anger, sadness and fear.

- **(Self)-Motivation**

With Self-Motivation an employee can use emotions in order to reach goals. It also regulates impulses.

- **Empathy**

Empathy helps the employee to understand the feelings of other people.

- **Social Skills**

Social skills help to carry on a conversation.

Assuming that the employee has the above mentioned characteristics, the first consumption is reached. But, of course, there are lots of great challenges an organization has to face today (Cherniss, 2001, p.5):

- People need to cope with massive, rapid change.
- People need to be more creative in order to drive innovation.
- People need to manage huge amounts of information.
- The organization needs to increase customer loyalty.
- People need to be more motivated and committed.
- People need to work together better.

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- The organisation needs to make better use of the special talents available in a diverse workforce.
- The organization needs to identify potential leaders in its ranks and prepare them to move up.
- The organization needs to identify and recruit top talent.
- The organization needs to make good decisions about new market, products and strategic alliances.
- The organization needs to prepare people for overseas assignments.

Organisations are highly interested in well educated young workers. But these young employees have to learn how to work with fellow colleagues. Another important point is that these workers must have enough self-discipline. They also must have the willingness to be adaptable to rapidly changing situations and to handle with a variety of different information. Therefore self-motivation is unavoidable. The willingness to work in teams must also be given.

These after graduation learning factors are inter alia part of the development of Emotional Intelligence. If the organizations do not have the possibility to train their employees in-house, employees are offered an external program, learning these soft skills, for example in a MBA program which contains a Human Resource Management subject.

The organization itself has to discharge some important duties.

First of all, the company must identify an emotional intelligent employee. It is obvious, that not every worker is emotional intelligent. By the way, this is unnecessary. Young and also elder Employees in leading positions should be emotional intelligent. If these special talents are identified, they must be prepared to their (new) assignments. If the company wants to recruit new managers, they should make sure, that they either recruit these already prepared star performers, or that the new employee has enough time to learn these emotional intelligent soft skills and to grow into his leading position.

Finally, a star performer is able to use emotions intelligent in any work or life situation. He is also able to lead emotionally intelligent. So it will increase his success in life and work.

If the company is able to work with these star performers, the company's performance will also increase, innovation will enhance, work time can be used more efficiently, teamwork is accepted and workers are motivated and satisfied with their job. From the company's point of

view intelligent employees led to a good company climate in general. Both parties can benefit in the end.

3.1.2. Emotionally intelligent bosses

In big firms the managers are responsible for the realization of the company's aims. Therefore, as the bosses or leaders of several employees, it is obvious that these persons should be emotionally intelligent. A boss should be a star performer. Therefore, an analysis how they work is relevant.

The most popular situation relating to Emotional Intelligence discussed in literature is the relationship between boss and employee.

Example:

If an employee wants to leave the company, there are often lacks in the relationship to his / her boss. The boss does not detect that the employee is dissatisfied. He / she does not sense that the employee does not trust him / her. The effective boss instead has the ability to feel about the work situation the employee is in. He or she can react emotionally correct to his employee, something he / she must rely on intuition or gut feeling. A good boss manages business situations with controlled emotion. The effect is: the work situation of the employee will change rapidly. The employee will trust the boss and will feel better of his / her own work situation quickly. Summarized one can say if the employee stays in the company, the boss managed the situation intelligent on an emotional level.

Finally, bosses learned to differentiate between irrelevant and misleading feelings and feelings that are on target. Emotional Intelligence make bosses use the gut feeling in that way that it is helpful in making difficult decisions.

3.2. Teamwork

Teamwork, used as term for working in groups, combines Emotional Intelligence of individuals. Thus, the relationship between individuals in a group can help people work more emotionally intelligent. There are some skills necessary to form practicable teams. As Figure 3 shows, there are visible and invisible skills.

For example, a team member, a programmer, has excellent technical skills in programming. This skill can be proven, so it is a "*visible skill*". This programmer also has good generic skills, e.g. he has a good time management, and acceptable team skills, like for instance he is able to communicate with his colleagues in a friendly manner. The last two skills are not

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easily testable. For successful teamwork, another skills, Emotional Intelligence, is necessary. This skill is not testable, too. It is an “invisible skill”. The invisible last 3 skills are factors of successful and harmonic teamwork.

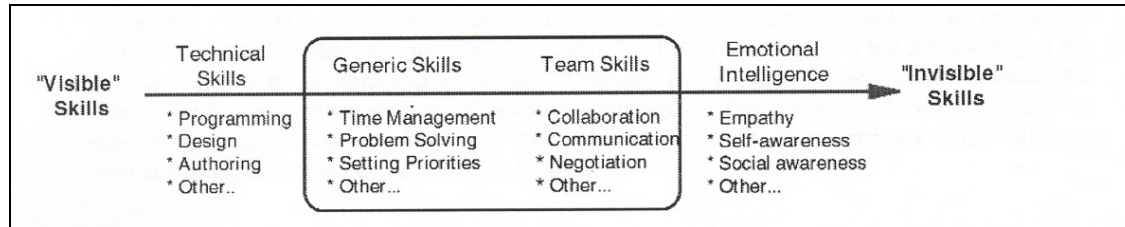


Figure 2: A spectrum of skills needed for teamwork

(Source: Luca & Tarricone, 2001, p. 368)

Group Emotional Intelligence is not equal to the sum of the Emotional Intelligence of all individuals. The difference is that groups need norms and processes to permanently support Self-Awareness, Self-Regulation, Motivation, Empathy and Social Skills.

	Definition	Relationship to Successful Teamwork
Self-Awareness	The ability to recognise and understand your moods, emotions, and drives, as well as their effect on others	Having positive and productive teamwork skills Controlling emotions and understand the impact of emotions on the team Being self-confident, high self-esteem and a coherent and integrated self-identity Promoting psychological health including a happy disposition
Self-Regulation	The ability to control or redirect disruptive impulses and moods The propensity to suspend judgement – to think before acting	Being self-aware of emotions to enable self-regulation Handling emotions and putting the team task first Using emotions to facilitate the progress of the project Regulating emotions during conflict, pressure, stress and deadlines Coping with stress, frustrations through creating and contributing to caring, supportive relationships
Motivation	A passion to work for reasons that go beyond money or status A propensity to pursue goals with energy and persistence	Motivating other team members to contributing their best Openness, flexibility and motivation to change, innovation, creativity and collaborative problem solving Creating an environment that stimulates, enhances and empowers team members to become motivated and apply themselves fully Showing initiative, perseverance and dedication, goal orientation & focus Placing team or common goals ahead of individual goals and pursue these with determination and perseverance Having a sincere interest and motivation for the group and individual's achievements and goals Considering team morale and aiming to maintain a positive productive work environment
Empathy	The ability to understand the emotional makeup of other people Skill in treating people according to their emotional reactions	Understanding, interpreting and identifying with colleagues' feelings Cultivating rapport with people from different 'walks of life' Having the potential to turn adversarial relationships into collaborative alliances Showing emotional concern including reassurance and caring for other team members Helping to create a team environment where members can express their feelings
Social Skill	Proficiency in managing relationships and building networks An ability to find common ground and build rapport	Creating a team culture which is supportive, informal, comfortable, and non-judgemental Developing professional as well as positive personal relationships with other team members Developing intense, short-term relationships and being able to disconnect and work in another team environment with the same sincerity and motivation Being able to stimulate cooperation, collaboration and teamwork through well-developed communication and social skills Developing positive, effective relationships with colleagues through fostering trust, confidence and commitment Helping to establish a positive team climate and promoting support and respect for one another Having the ability to interact with team members and deter conflict, be aware of, ease and dissipate underlying tensions

Figure 3: Emotional Intelligence and attributes of successful teams

(Source: Luca & Tarricone, 2001, p. 371)

These norms and processes are the most important essence of Emotional Intelligence in a team.

The advantage of teams is the development of a group mind and a rising group IQ.

The relationship to successful teamwork is defined in Figure 4.

3.3. Training

As opposed to the standard IQ, Emotional Intelligence can be developed.

Emotional Intelligence can be improved by training, coaching and also by getting feedback.

This belongs to the behaviour of teams and of individuals, too. Training and development of Emotional Intelligence should include (c.f. Goleman, 1998):

- Job assessment
- Assessment of the individual
- Using Assessments always with care
- Gauge readiness
- Motivation
- Willingness to change
- Setting reachable Goals
- Backslide prevention
- Feedback
- Support
- Advanced practice
- Promoted models
- Encourage
- Reinforcement of change
- Evaluation

“Training programs aimed at improving emotional intelligence can occur in several different areas of training and development within an organization, including management training, communication and empathy training, conflict resolution and stress management training, as well as self-management training and training provides to unemployed workers (Cherniss, 2000). Trainings programs for Emotional Intelligence cannot be compared to standard management training. Traditional management courses are constructed for everybody. Dearborn calls that an “one size fits all” program with main focus on the cognitive learning procedures of a human brain. What special training programs for Emotional Intelligence contain is individual complexity.

As Goleman found out in 1998, six components should include a more individualized learning engagement within the training program:

- Visioning around reaching one’s ideal self.

- Self-assessment and self-awareness of current strengths and weakness.
- Ensuring that strengths and limitations improve so that they do not detract from the achievement of goals.
- Creating and committing to a learning agenda that builds on strengths and reduces weakness.
- Active and frequent experimentation with new behaviours that support and develop emotional intelligence competencies.
- Reliance on a coach to regulate progress.

3.4. Effectiveness maximization with Emotional Intelligence

Most of all, companies are interested in profit maximization. In order to reach the economic goals in given time, a flat organization structure is necessary.

The structure itself depends on how far and how good people implement the given intermediate aims. The faster these aims are reached and the better the results the more effective is the company.

Therefore, Emotional Intelligence influences organizational effectiveness in a number of areas (c.f. Cherniss, 2001, p. 6):

- | | |
|-------------------------------------------|-----------------------------|
| • Employee recruitment and retention | • Productivity |
| • Development of talent | • Efficiency |
| • Teamwork | • Sales |
| • Employee commitment, morale, and health | • Revenues |
| • Innovation | • Quality of service |
| | • Customer loyalty |
| | • Client or student outcome |

All these above mentioned areas belong to individual Emotional Intelligence.

Beside the recruitment of employees, as above mentioned, companies have to focus on the retention of their employees.

For example emotional talented sales people change their job quicker than workers in other sectors. If the company loses those employees, new sales people must be recruited and their initial training phase is quite long. In the beginning they identify neither with the company nor with the products they are offering. The effect is a lack of productivity and efficiency.

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Because of not knowing all internal procedures, the quality of service to the customer decreases. The result could be a reduction of customer loyalty. To avoid these bad circumstances, talent should be developed and inter alia teamwork should be advanced. Thus, salespeople may not only stay in the company, they also feel morally committed and at least will have fun again in their job. Finally, a pessimistically thinking worker can change to an optimistic within weeks, Goleman said in 1998.

There are four phases known to develop Emotional Intelligence in organizations. The Development of Emotional Intelligence begins with a *preparation phase*. Main aspect of this phase is that all parts lead to motivation. After this a *training phase* follows, which can be seen as learning process. The third phase is the *transfer and maintenance phase*. Here, it is training on the job. The *evaluation phase* closes the Emotional Intelligence development in organizations. With a retrospective view, mistakes can be prevented in future.

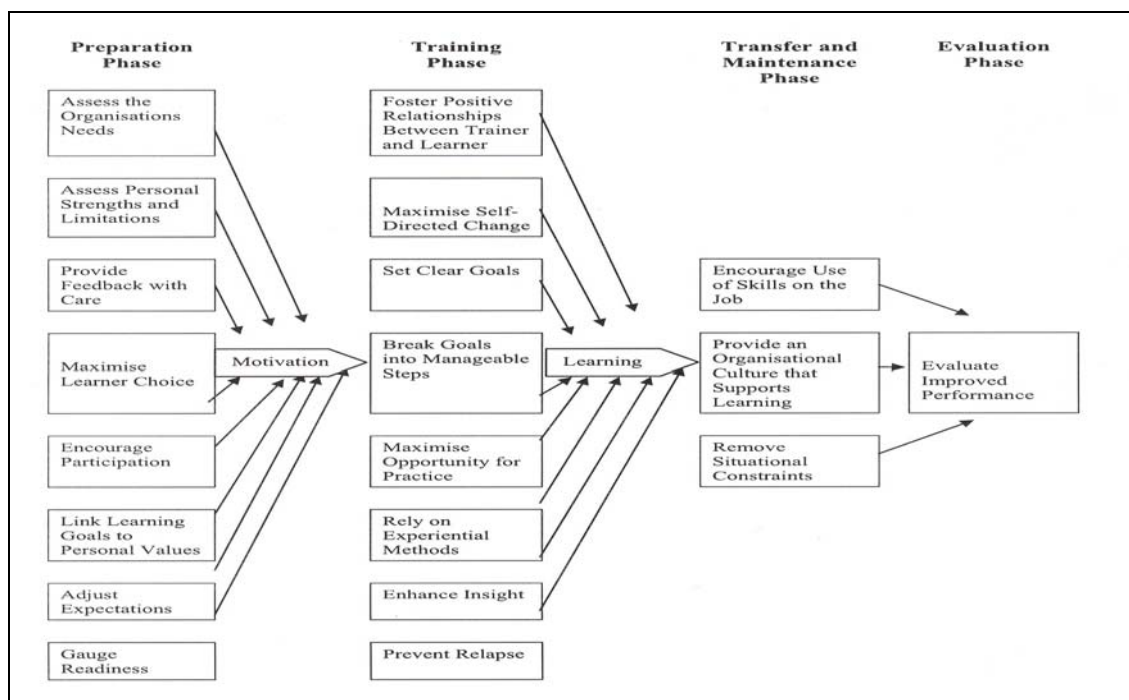


Figure 4: Developing EI in Organisations: The optimal process
(Source: Stys & Brown, 2004, p.38)

This optimal process includes the maximization of effectiveness due to the prevention of mistakes. Figure 5 outlines the phases in detail.

3.5. Succeeding with Emotional Intelligence

Emotional Intelligence is getting increasingly more important in the whole business world. Emotionally intelligent employees have the ability of being team players. They satisfy the need of team-based collaboration in organizations. Increasing Emotional Intelligence has also effects on cultural and geographic aspects in companies. Multinational consulting firms for instance benefit from multinational teams with sometimes different cultures all around the world. They learn from each other in practise. The ability of calming down own emotions is mostly the biggest learning effect of adopting Emotional Intelligence from other team members. Thus, not only team Emotional Intelligence is increasing but also Emotional Intelligence of each member.

In the turbulent and dynamic business world, on global markets, due to the extremely fast technological change, teamwork in a company or cooperation between for instance supplier and purchaser are becoming more and more importance. The risk of making emotional mistakes is rising. Companies which have learned how to use Emotional Intelligence can stay competitive on the world markets, because the know Emotional Intelligence is an ongoing process which can be developed. Step by step these companies work more effective, reduce mistakes in stress situations and form teams with a high Emotional Intelligence quotient. They have also realized that in addition to high profit earnings, Emotional Intelligence does not have to be underestimated. In the end a good balance between these human factors and the financial goals of the organization is reached.

4. Leadership and Emotional Intelligence

The short-term thinking in economic numbers, the focus on scientific management and mass dismissals have caused a tremendous damage in the working atmosphere. Daniel Goleman, Codirector of the Consortium for Research on Emotional Intelligence in Organizations at Rutgers University, shows that emotional intelligence is more than just a “nice to have” attribute of leaders. In his researches he demonstrates that intelligence or professional abilities have just a slight influence on career or the accomplishments of leaders. Emotional intelligence is a more significant factor in professional success. Of course intelligence or professional knowledge establishes a basis but without emotional intelligence managers are unable to exhaust their potential. (Goleman 1999, p.2).

In his opinion the fundamental task of managers is to generate positive feelings in those they lead. “That occurs when a leader creates resonance – a reservoir of positivity that frees the best in people. At its root, then, the primal job of leadership is emotional.” (Goleman, D., Boyatzis, R., Mckee, A. 2002, p.ix)

The following graph shows the results of a study at the corporation IBM in the mid-nineties. In a survey, managers, supervisors and personnel officers were questioned what the most important factors

for professional advancement are.

The results are both surprising and shocking.

The performance and quality of work, what one probably think of the most important thing to develop the

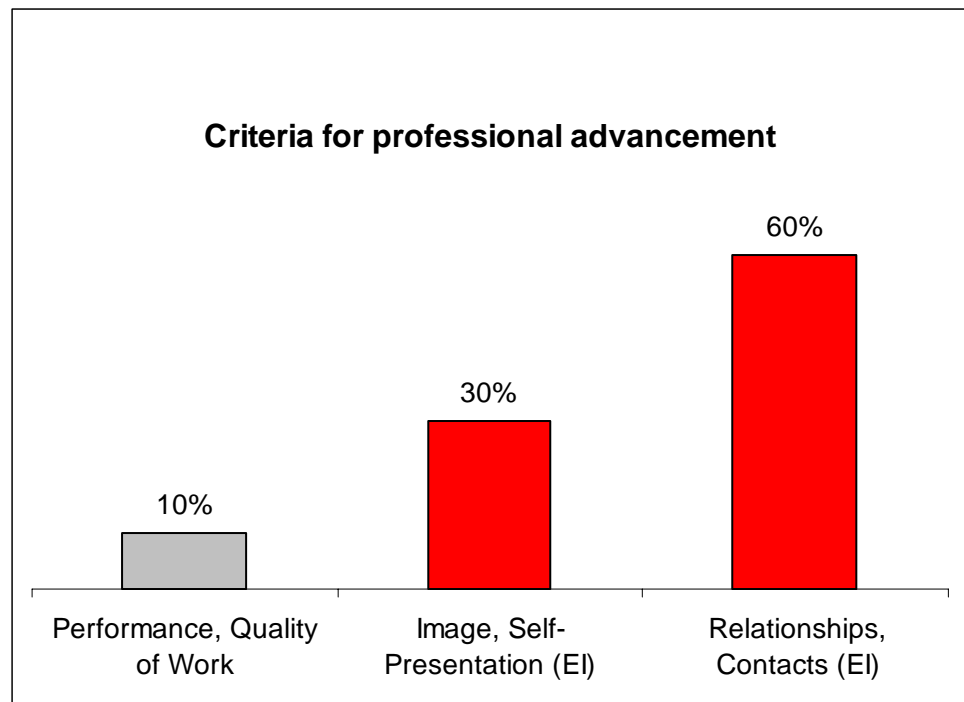


Figure 5: Criteria for professional advancement

own career, is weight with just 10%. On the contrary EI abilities decide on 90% of our success. (Asgodom 2006, p.8)

The following chapters are devoted to the aspects of emotional intelligence on the management level and in modern organizations.

4.1. Competencies of an emotionally intelligent manager

Beside their professional knowledge and competencies emotionally intelligent managers possess a wide range of soft skills that help them to handle their own and foreign feelings. The important characteristics of an emotionally intelligent leader can be summarised under four dimensions (Goleman, D., Boyatzis, R., Mckee, A. 2002, pp.253-256):

Self-Awareness

Self-Management

Social-Awareness

Relationship Management

The term **self-awareness** includes emotional self-awareness, accurate self assessment and self-confidence. These attributes have in common that they deal with the ability to understand the own emotions, strengths and weaknesses as well as the own motivation.

On a professional level **emotional self-awareness** means that leaders can evaluate their feelings and how they influence their professional performance. Although a situation might be complex, self-aware managers know where to go and never lose head. They never react impulsively and are constantly authentic. (Yergler, J.D. 2006)

Managers with an **accurate self assessment** or self-conception know their impact on others, where to improve and which tasks fit to their abilities. To be out of touch with the truth about oneself is a typical CEO disease. "In fact, the higher up the ladder a leader climbs, the less accurate his self-assessment is likely to be." (Goleman, D., Boyatzis, R., Mckee, A. 2002, pp.91-92)

Self-confidence results out of knowing one's strengths and weaknesses. It allows underlining the positive side of oneself. Managers with a high self-confidence look forward to difficult assignments. According to a new study by Timothy Judge, a management professor of the

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University of Florida, people with high opinions of themselves as teenagers and young adults earn much more in middle age than their less confident counterparts. (Amble, B. 2007)

Under the term **self-management** the soft-skills self-control, transparency, adaptability, achievement, initiative and optimism are summarised.

Self-control is not more than managing the own emotions and keep them under control even in critical situations. Managers with this ability realize their impulses but are able to channel them in a positive direction.

“**Transparency** – an authentic openness to other about one’s feelings, beliefs, and actions – allows integrity, or the sense that a leader can be trusted.” (Goleman, D., Boyatzis, R., Mckee, A. 2002, p.47) This characteristic express itself in admitting faults and living tight-knit with the own values.

Adaptability is the competency to react adequately to every situation. Another word is flexibility.

Achievement means setting goals. Managers with a clear focus on aims have the passion to seek performance improvements for themselves and their personnel.

Leaders and executives with a “Just do it”-mentality take **initiatives** instead of reacting to circumstances. They are active and search for new possibilities.

Active people are often very **optimistic**. Frustrations or worries can not discourage these types of managers from continuing. They always see a hidden opportunity in every setback.

Social awareness is the generic term for empathy, organizational awareness and service. It helps to read the emotions of other persons and enables emotional intelligent persons to interpret words, looks or how someone reacts to their remarks.

Managers with a high sense of **empathy** are able to “translate” the mood within a person or group without one word spoken. These leaders can put themselves in the other person’s situation and understand their point of view.

The term empathy is tight-knit with **organizational awareness**. This ability enables people to be aware of the meaning of informal structures and the impacts of shared visions. They can handle networks and the political influences within an organisation.

A main task of emotionally intelligent leaders is to coach other people and keep them in line with the visions of a company. Employees with contact to customers should internalize **service-oriented** thinking. Good managers observe customer satisfaction and make themselves available if necessary.

“The triad of self-awareness, self-management, and empathy all come together in the final EI ability: **relationship management**. Here we find the most visible tools of leadership – persuasion, conflict management, and collaboration among them. Managing relationships skilfully boils down to handling other people’s emotions. This, in turn, demands that leaders be aware of their own emotions and attuned with empathy to the people they lead.” (Goleman, D., Boyatzis, R., Mckee, A. 2002, p.55) Beside that relationship management comprises inspiration, influence, developing others, and change catalyst. (Goleman, D., Boyatzis, R., Mckee, A. 2002, pp.255-256)

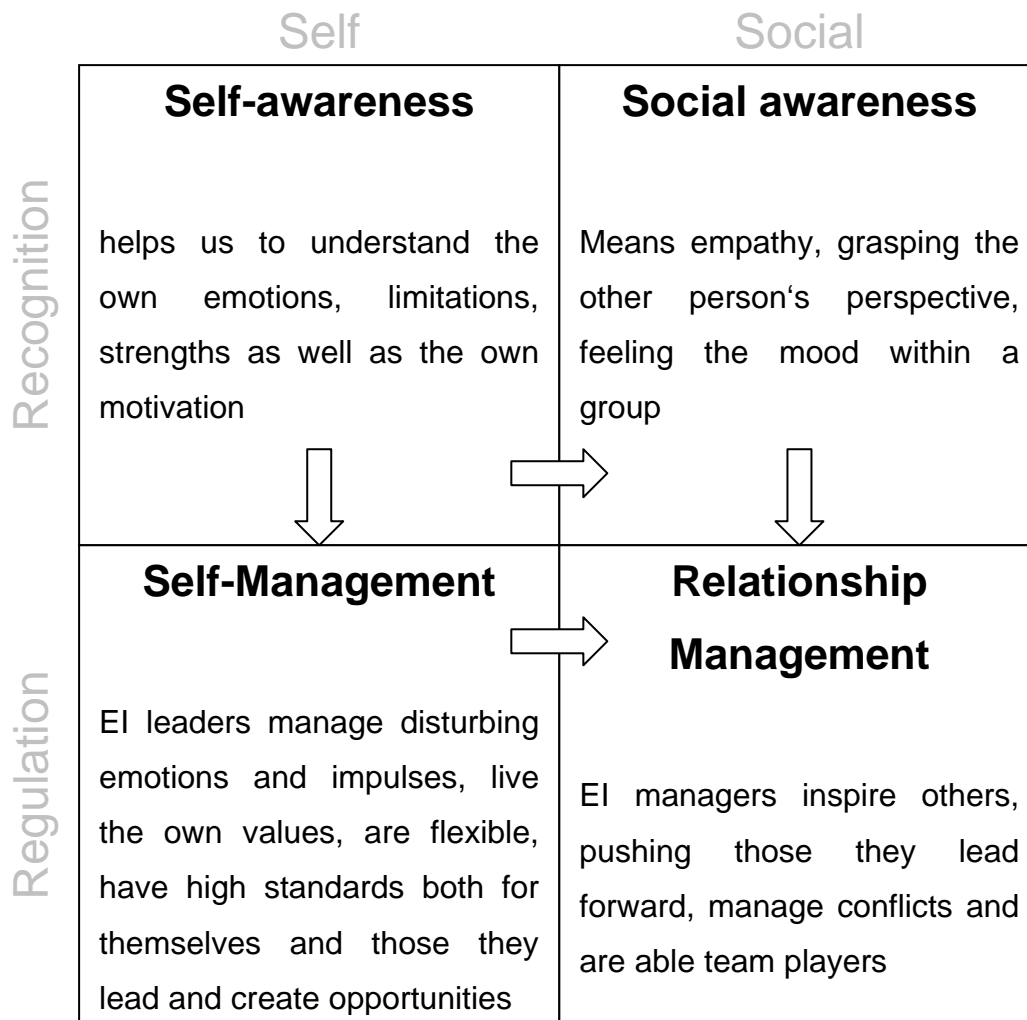
Inspiration does not mean writing down a vision and calling that a shared value. Enthusiastic executives inspire others by their emotions. True to the motto: You can only set off the fire of enthusiasm in others if you are burning with enthusiasm too. They make a permanent impression on the feelings of their employees and give the day-to-day tasks a sense.

Successful leaders **influence** their fellow human beings. They generate support for their ideas and are able to drag other people along. Consequently they know that **developing others** is the sine qua non to bring the company forward. Although that is no end in itself, their efforts are always sincere. The competence to realize strengths and weaknesses of others helps them to deploy them in the right position.

Change catalyst is a term tight-knit with change management. A change catalyst is able to identify the need for changes and both accelerate or slow down changes. (Hall, G./Rosenthal, J./Wade, J. pp.82-93)

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Conflict management is not limited to conflicts between oneself and other persons, but includes additionally solving conflicts between different parties. Leaders try to be neutral and objective, listen to the point of view of every affected person and find a satisfying agreement. Based on that, executives create an atmosphere of **collaboration**.



Source: Goleman, D., Boyatzis, R., Mckee, A. 2002 / own

4.2. Emotionally intelligent organizations

Managers, who want to establish an emotionally intelligent organization, need to start with an as-is analysis. Before they visualize an ideal situation, they have to take a close look at reality of their team or organization. Every member of the group has to understand the own function, the own behaviour and to challenge his habits and norms. Only then it is possible to comprehend the whole process and the difference between wishes and reality.

Some experts in the field of emotional intelligence will maybe raise the objection, that people show the highest commitment to changes, if they have a concrete vision and know where to go. The starting point can be neglected. But “the ideal vision for a group, however, is often a much more distant concept, so it simply doesn’t provide enough motivation to instigate change. A good example is the lofty language found in company mission statements, which often feels light-years away from employees’ day-to-day experiences at work”. (Goleman, D., Boyatzis, R., Mckee, A. 2002, p.172)

Representative researches have shown that the quality of group decisions is superior to the quality of decisions made by even the greatest expert. One exception to this rule is a lack of willingness to cooperate or to work efficiently within the group. Emotionally intelligent leaders recognize the situation and set the tone for further changes. They play an important role in creating the emotional reality of their team.

Leadership and the emotional intelligence of organizations are two sides of the same coin and tight-knit with each other. It seems to be part of human nature paying extra attention to group leaders. In an academic investigation two groups of chimps got into contact with caramel. In the first group the scientists showed only the chimp with the lowest rank how to open the package. In the second one they shared the secret with the group leader. The result: The second group knew the true promise of caramel much faster than the first one. The little example demonstrates the influence and meaning of leaders within a group. (Häusel, H.G. 2005, p.81)

“More than anyone else, it is the team leader who has the power to establish norms, maximizing harmony and collaboration to ensure that the team benefits from the best talents of each member.” (Goleman, D., Boyatzis, R., Mckee, A. 2002, p.184) Emotionally intelligent

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managers are able to create a positive atmosphere and set an example by their own behaviour. They feel responsible for the group, integrate shy and quiet members into the team, feel what is going on and pay attention.

One should not underestimate the meaning of these norms. Employees feel this kind of company culture and internalize it. The impacts can either be positive or negative. In some groups people interact with each other on a very efficient and friendly basis, in other groups norms unfold their destructive character and team work is not more than just a few people sitting around a table. (Katzenbach J., Smith, D., 1993)

The germ cell of an emotionally intelligent organization is always the team leader. As mentioned above he has to start with an as-is analysis and to discover the status quo. In conversations he has to analyse the emotional reality and especially the (informal) norms within the team. After defining the unhealthy behaviour of the group or individual members, managers and executives have to derive more effective norms from that.

It seems to be quite simple, but nevertheless such conversations never take place in some organizations. Although the benefits of this approach are self-evident, managers and executives fail already at his point and lose contact to those they should lead.

Some types of leaders prefer to focus on “hard facts”, figures, strategic planning and coordination of tasks. Others just fear to start a constructive dialogue, because they have to handle emotions or are confronted with their own faults.

Other managers might focus on a standard solution, because they do not understand the negative impacts of destructive norms and habits. A good example is the authoritarian leader, who makes nearly every decision on his own. In this company culture no one would risk it to correct even obvious mistakes in the decision process of the team head. Of course the leader has never told anyone not to correct him, but these kinds of lessons about a company’s culture have been internalized unconsciously.

Nevertheless let us assume there has been a successful as-is analysis and the leader has captured even the hidden dimensions of the emotional reality of his team. Then he has to visualize and implement an ideal situation, which touches the employee’s hearts. This is a

very hard part, because “people need to feel as if they can reach for the organization’s dream without compromising their own dreams, their own beliefs, and their values. [...] Leaders who use resonance-building styles model norms that support commitment, involvement, active pursuit of the vision, and healthy, productive work relationships. They create connection by focusing on what people really want and need [...]” (Goleman, D., Boyatzis, R., Mckee, A. 2002, pp.220-221)

After the as-is analysis and implementing the ideal situation, the job of leaders is not done. Emotionally intelligent organizations need to be cultivated and constantly well-kept. At every opportunity the leader has to live by example. The important factors are living the own and organization’s values, acting on a democratic basis, and showing respect to every member of the team. Beside that rules and processes have to be adapted to the organization, leaders want to create. People are the main factor, but also the system, which acts as a corset for the individual’s behaviour matters.

What the reader has seen so far is the connection between emotional intelligence and leadership skills. The role of leaders within a team is a significant factor in implementing a positive working climate. It is up to them to go through all three steps of creating an emotionally intelligent organization.

5. Results

Emotions are the source of our motivation. Every day and in every minute of our lives emotions arise. We cannot control the emotions we experience but we can get aware of them. This ability helps us to understand our own moods and emotions and the ones of others. Once we are aware of them we have the possibility to regulate them. Furthermore we cannot control the arise of emotion, but we can canalise them and navigate them in a constructive situation. For example for self-motivation proposals; to reach goals and regulate impulses.

Self-awareness, self-regulation and self-motivation concern the own personality and help to understand yourself and the actions you drive.

Empathy is the ability to understand feelings of other people and helps how to treat them. Together with social skills, which are skills performed due to a conversation, emotional intelligence increases the abilities in association with others.

Therefore Emotional Intelligence can be very useful not only in private relationships but also and especially in a business environment. It can help not only to motivate oneself but also the colleagues and employees. Leaders increase self-awareness and self-management but also social awareness and relationship management. A company with an in average high emotional intelligence creates more effective teams, increases the productivity and has better relationships to supplier and customers and therefore increases the benefits.

6. Conclusion

Emotional Intelligence is getting increasingly more important in the business world. Today nearly every job description demands for the ability to work in a team – for what emotional intelligence is needed for. In the management area EI is required for it is not only about self-motivation but also about the motivation of others, about relationships and management skills. The attention for emotional intelligence and its relevance increased dramatically in the last few years and more and more the business world gets aware that professional competence is not everything.

The problem is how to measure emotional intelligence. Intelligence quotient (IQ)-tests fail in this area of expertise, but assessment-centre already try to identify the ability to interact in a team and how people react e.g. in stress situation. But a comparable test system like the IQ still does not exist. The more the scientific research in this area continues it might not be long such a test exist and we are going to measure emotional intelligence like “normal” intelligence – whether it is good or not.

In any case we should try to improve our own EI and the one of our colleagues and partners, so it can make life much easier and less complicated.

Appendices

7. Appendices

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ITM Checklist

General Economics

Emotional intelligence does not have to be delimited to a matter of company policy. Also a state can on a different level use these cognitions. In the broadest sense emotional intelligence can be used to make the own economy more attractive for investors. The so called “war for talents” occurs additionally on a national level between different nations. Comparable to a company a government wants to bind and attract high potentials and secure this important resource. EI abilities support this process and attempts. As mentioned in the chapters above EI abilities get more and more important in comparison to just professional abilities and intelligence. The economy depends heavily on people with a wide range of emotionally intelligent abilities.

Strategic Management

As mentioned above emotional intelligence has to play an important role in the field of Strategic Management. Because of the importance of EI abilities in daily business, they can make the difference in economical competition. Developing these range of skills within the work force has to be seen as an investment in future needs like for instance the purchase of machines. EI plays an important role in Strategic Management, because it secures the existence, innovation, competitive advantages and ties up human resources.

Marketing

Emotional intelligence can be seen as a part of the “classical” marketing approach. It is a kind of personal marketing of employees or leaders, a part of personnel marketing of companies or organisations. Between the “classical” marketing and EI abilities consist a relatively large intersection. Both include strategic components, strategies, aims and a sort of marketing-mix. In an ideal situation both can even potentiate each other.

Financial Management

Emotional intelligence can be seen as an inherent talent or as a skill, which can be developed. Investing in these range of abilities of, for example employees, is as mentioned in the chapters above cost-efficient, because it plays such an important role in the day-to-day business. EI should not be delimited to the recruiting process, but instead as ability, which can be optimised and improved. It is an investment with a very low risk factor.

Human Resources Management

In a holistic approach emotional intelligence is part of the Human Resource Management. In the broadest sense HRM comprehends the wide range of human capital. Consequently emotional intelligence is an important part of it. Nevertheless HRM activities are often reduced to personnel administration. In this case emotional intelligence enlarges the perception and influences the appreciation of “human capital”.

Business Law

Emotional intelligence does not affect the legally protected rights of the employees. It is hard to imagine that any measures will have a negative effect on the company’s legal security. Nevertheless in the recruiting process current revisions of a statute (e.g. Antidiscrimination Law in Germany) should be taken into consideration.

Research Methods / Management Decision Making

Leaders can fall back on a wide range of decision criteria. Attitude survey of existing or potential employees, assessment centres, appraisal interview and even benchmark analysis of prospects and job candidates give important information about emotional intelligence. The responsible persons can use specialist literature and contacts to educational institutions to stay up to date in this field of topic.

Soft Skills / Leadership

Emotional intelligence as a whole is clearly a soft skill. It is a complement to the “hard” facts quality of work, intelligence and professional abilities.

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Declaration

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Venlo, 29 November 2007