

# Emotional Intelligence: Can Companies Really Feel Their Way to Success?



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## Introduction

It has been nearly 25 years since Peter Solovay and John D. Mayer first used the term “emotional intelligence” to describe a different kind of intelligence that many business leaders believe is essential to achieving success in the workplace. Unlike many other business trends that have come and gone, emotional intelligence, an intelligence that involves the ability to monitor one’s own and others’ feelings and emotions and to use that information to guide one’s thinking and action, still has legs. Business leaders continue to use the term and value it as a key employment factor. There is also evidence that HR and talent management professionals who make increasing emotional intelligence among all employee levels a strategic organizational priority will help boost their organization’s bottom line.

This white paper will:

- Discuss the different definitions of emotional intelligence.
- Explore the benefits high levels of emotional intelligence bring to organizations.
- Examine why employees in general, but leaders in particular, could benefit from emotional intelligence development.
- Provide guidelines on how to improve emotional intelligence in the workplace.
- Offer examples of organizations that have used emotional intelligence training in their workplaces and their outcomes.

## What Is Emotional Intelligence?

In his 1995 bestselling book, *Emotional Intelligence* (Bantam Books), Daniel Goleman describes emotionally intelligent people as those who perceive emotions, use them in thought, understand their meaning, and manage them better than others. Emotionally intelligent people solve emotional problems with less thought, have highly developed verbal skills, and tend to be more open and agreeable than others (Cicetti, 2013). For Goleman, Mayer, and Solovey, emotional intelligence is a personal characteristic much like initiative, self-confidence, and a drive for results (Mittal and Sindhu, 2012).

There are other schools of thought regarding emotional intelligence. Reuven Bar-On from the University of Texas Medical Branch views emotional intelligence as more of a personality dimension like extroversion, agreeableness, and emotional stability. Others view emotional intelligence as a specific set of abilities that includes the capacity to understand, reason with, and use emotions in thinking and action (Mittal and Sindhu, 2012). It is this latter school of thought, emotional intelligence as a set of abilities, which opens the door for HR and talent management professionals, because abilities can be enhanced with coaching and training.

There are four branches of emotional intelligence when seen as a set of abilities:

1. **Recognizing emotions:** This means a person is aware of what he or she is feeling while also being aware of others' feelings. In the workplace, this means that emotionally intelligent leaders understand that feelings affect their employees' work and productivity. Emotions can be difficult to assess, however, because people exhibit their feelings differently, or sometimes not at all.
2. **Facilitating emotions:** Emotionally intelligent leaders know how to make others feel good about themselves, and how to be engaged and productive in the workplace. Emotionally intelligent leaders must be aware of their own emotions while being empathetic to those around them.
3. **Understanding emotions:** Those with a highly developed emotional intelligence go a step beyond merely recognizing their own and others' emotions; they understand them. Truly understanding emotions requires insight into the chain of emotions that occur as events unfold. For example, anger may result from disappointment, embarrassment, and feelings of sadness—a chain of emotions culminating in anger.
4. **Managing emotions:** Emotionally intelligent leaders are able to deliberately manage their and others' emotions to inspire and create passion in people (Alfus Rothman, n.d.).

HR and talent management professionals can use these four branches of emotional intelligence in selection practices and in employee and leadership development activities to help create a more emotionally intelligent organization.



## Company Spotlight: Amadori

Amadori, a poultry supplier for McDonald's in Europe, is a leading company in the Italian agro-food sector. A 2007 internal analysis of the company by emotional intelligence consulting firm Six Seconds found that Amadori needed to place a higher strategic priority on people management. HR was charged with leading the initiative and in 2008 evaluated the company's performance management process, concluding that a key ingredient to improve people management would be to integrate emotional intelligence into the company's culture.



HR leaders identified two goals of the emotional intelligence initiative:

1. To become a stronger learning organization, and
2. To develop a manager-as-coach perspective where managers supported and guided their employees through feedback and individualized development plans.

Amadori partnered with Six Seconds to develop and conduct the training. The training included six days of classroom training, individual coaching, assessment, distance learning, and two days of outdoor training. Six Seconds tracked the program for three years and found that:

- Emotional intelligence predicted 47 percent of variation in managers' performance management scores.
- Emotional intelligence was significantly correlated to increased organizational engagement, with 76 percent of the variation in engagement predicted by the manager's emotional intelligence.
- Amadori plants with increased organizational engagement achieved better bottom-line results, thereby linking emotional intelligence, engagement, and performance to the bottom line.
- During the program, turnover decreased by 63 percent.

(Source: Fariselli, L., Freedmon, J. and Massimiliano, 2013.)

## The Benefits High Levels of Emotional Intelligence Bring to Organizations

Studies have found that high emotional intelligence in organizations is associated with increased productivity, higher engagement levels, lower turnover and absenteeism rates, and increased market share. Daniel Goleman has theorized that 80 to 90 percent of the competencies that differentiate high-performing workers from average-performing workers can be found in the emotional intelligence domain, and one study (Mount in Freedman, 2010) found emotional intelligence to be two times more predictive of business performance than employee skills, knowledge, and expertise. Another study of IT professionals found a positive relationship between an IT leader's emotional intelligence scores and his or her subordinates' job performance ratings (Beverly et al, 2012). Other studies have found that high emotional intelligence can boost career success, entrepreneurial potential, leadership talent, health, relationship satisfaction, humor, and happiness (Chamorro-Premuzic, 2013). And a study conducted by business consulting firm Genos found a positive correlation between the emotional intelligence of business leaders and the employee engagement levels of their direct reports (Genos, 2011).

Employers are taking notice. One survey found that four out of five large companies were trying to promote emotional intelligence in their organizations (Zeidner et al, 2004). A 2011 Career Builder study found that 71 percent of the hiring managers surveyed said they valued emotional intelligence in an employee more than IQ, believing that employees with high emotional intelligence are more likely to remain calm under pressure, can more effectively resolve conflict, can better lead by example, and are more thoughtful in their business decisions (Ford, 2013). That same survey found that more than one-third of employers said they were placing more emphasis on emotional intelligence when hiring and making promotions. Seventy-five percent of survey participants said that when it came to promotions, they were more likely to promote the person with high emotional intelligence over a person with a high IQ.

Avon has used emotional intelligence in management training and performance reviews. BMW, Boeing, Kodak, FedEx, and Shell have also used emotional intelligence training in their leadership development programs, and Hilton has used it in customer service leadership training (Freedman, 2010). PepsiCo has used emotional intelligence as a selection criteria for executives and found that those selected based on their emotional intelligence competencies were 10 percent more productive. There was also an 87 percent reduction in executive turnover (for \$4 million in savings), and \$3.75

million in added economic value (Freedman, 2010). L’Oreal found that sales people with high emotional intelligence brought in \$2.5 million more in sales, and Sheraton found that its emotional intelligence initiative resulted in a 24 percent increase in market share (Freedman, 2010).

When AT&T participated in a study on emotional intelligence, they found that at all management levels, employees with high emotional intelligence were 20 percent more productive. Coca-Cola found that those who had participated in emotional intelligence training exceeded their performance targets by 15 percent. Those who did not have the training missed their performance targets by 15 percent—a 30 percent difference. At pharmaceutical company Sanofi-Aventis, a group of managers who received emotional intelligence training outsold the control group by 12 percent (Freedman, 2010).

These studies make an extremely persuasive argument for HR and talent management professionals as to why their organization should focus on improving emotional intelligence at all employee levels.

### Company Spotlight: Sanofi-Aventis

Sanofi-Aventis is a world’s leading pharmaceutical company headquartered in France. The company has a presence in more than 100 countries and employs more than 100,000 people worldwide. In July 2005, Sanofi-Aventis in Australia partnered with emotional intelligence consulting firm Genos to improve the emotional intelligence levels of its pharmaceutical sales representatives. Sanofi-Aventis and Genos developed a six-month study to determine whether pharmaceutical sales representatives’ performance could be improved through emotional intelligence training.



To assess whether emotional intelligence could be improved through training, sales representatives selected for the study were divided into two groups, a control group and a development group. Employees from both groups participated in an emotional intelligence assessment to determine a benchmark, but only members of the development group participated in the subsequent emotional intelligence training.  
*(Continued...)*

### Company Spotlight: Sanofi-Aventis (...continued)

Over the next six months, sales representatives in the development group participated in workshops and coaching sessions on emotional intelligence. After three months, the development group's sales results were compared with that of the control group's sales results over the same period. Sanofi-Aventis found that the development group's sales were 7 percent higher than the control group's sales. As the emotional intelligence program continued, Sanofi-Aventis found that the development group's sales grew to 12 percent more than the control group's sales.

In addition to the increased sales, Sanofi-Aventis found that the development group demonstrated emotionally intelligent behaviors on the job 25 percent more than the control group. Retention of key employees also improved during and after the program. Finally, the company estimated a returned \$5 for every dollar invested in the program during the six month period.

(Source: Palmer and Jennings, n.d.)

## Why Employees in General, but Leaders in Particular, Could Benefit from Emotional Intelligence Development

As these studies suggest, there is a real, bottom-line value to organizations which make developing emotional intelligence a strategic priority. The question for many may be whether it is possible to "teach an old dog new tricks." In an article for the HBR blog network, Tomas Chamorro-Premuzic, professor of business psychology at the University of London, contends that it *is* possible to improve emotional intelligence. He notes that emotional intelligence levels are firm, but not rigid, and that people can change if they truly want to. Research also shows, according to Chamorro-Premuzic, that emotional intelligence levels tend to naturally increase with age (women also consistently score higher on emotional intelligence assessments than men). Good coaching and accurate feedback are key ingredients in improving emotional intelligence (Chamorro-Premuzic, 2013).

Improving emotional intelligence at the leadership level can improve employee morale and productivity and lower turnover and absenteeism rates. In a study involving observation and interviews of leaders from prominent Fortune 500 companies, Vipin Mittal and Ekta Sindhu found that leaders with high levels of emotional intelligence:

- Are aware of their impact on others and use it to their advantage.
- Have empathy for others, yet can still make tough decisions.
- Are astute judges of people without being judgmental.
- Are passionate about what they do and show it.
- Can balance feeling and logic in making decisions; they are in touch with their gut feelings.
- Are excellent communicators; they understand, using their emotional intelligence, what messages will connect best and how to express them.
- Create personal connections with others, and make themselves visible and approachable. They listen to others and respond in ways that make them feel respected.
- Temper a drive for results with a sensitivity to others (Mittal and Sindhu, 2012).

In short, emotionally intelligent leaders inspire others to do their best.

## How to Improve Emotional Intelligence in the Workplace

Emotional intelligence can be developed, but it will take time and patience. A three-hour seminar simply will not have a long-term effect. HR and talent management professionals who want to improve their organization's emotional intelligence should consider the following steps offered by Cary Cherniss and Daniel Goleman (2001, n.d.).



## 1. Select for emotional intelligence.

HR and talent management professionals should assess for emotional intelligence during the employee selection process. Cherniss and Goleman caution that emotional intelligence cannot be measured through the usual vetting process, like resume screening and the review of a job candidate's previous work history, education, skills, and expertise. There are a number of assessments that can be used, however, to gauge a candidate's emotional intelligence. These assessments include Goleman's revised emotional intelligence competency model, Bar-On's emotional intelligence assessment, and quasi-personality tests. Regardless of the test selected, Cherniss and Goleman caution HR and talent management professionals that application and interpretation of these assessments may require the expertise of an outside consultant.

## 2. Start at the top to assess emotional intelligence and to achieve buy-in.

Numerous studies have shown that successful leaders model emotional intelligence, so it makes sense to start an emotional intelligence initiative at the senior leadership level. Cherniss and Goleman recommend that before launching an emotional intelligence initiative, HR and talent management professionals should ensure that leaders understand and buy into the long-term benefits of developing emotional intelligence in the organization, a step that can be as simple as sharing the results of the studies highlighted in this paper.

Next, consider first piloting emotional intelligence assessment and training with senior leaders so they can gauge their own levels of emotional intelligence. This can help achieve senior leader buy-in and will likely help leaders later communicate the value of the initiative to their direct reports. During and after the assessment and training, HR and talent management professionals should also develop ongoing feedback mechanisms with senior leaders on the progress of their own emotional intelligence journey and the impact their improvements have made to the organization.

## 3. After the senior leader pilot program, launch a voluntary, company-wide initiative.

There are several steps involved in launching an organization-wide initiative. HR and talent management professionals should first assess the organization and identify the key competencies the organization needs for effective job performance, making sure that the identified competencies align with the organization's culture and long-term

strategy. Once those competencies have been identified, individuals can be assessed using the same assessment selected for senior leaders.

A successful emotional intelligence initiative should be voluntary, stress Cherniss and Goleman, because adults learn best and are more open to change when they are self-motivated. HR and talent management professionals can help increase participation, however, by offering employees a safe and welcoming environment. This can be achieved, in part, by obtaining the full support of senior leaders. Employees who see their managers actively working to improve their emotional intelligence levels will be inspired to participate.

The results of emotional intelligence assessments should be delivered with care and provide individuals with information on their strengths and weaknesses. Employees should be given plenty of time to digest the information. Once the information has been processed, it is time to get to work.

Initiative participants should work with trainers or coaches to identify the competencies they want to improve, and together, develop a plan on how to acquire them, breaking goals into manageable steps. Participants should be actively involved in developing this plan, because it will increase the likelihood of success. The selected competencies, however, should be linked back to the competencies identified in organizational assessment. Trainers and coaches should also work closely with individuals to provide honest, timely, specific, and behaviorally based feedback and to allow for opportunities to practice in a safe environment.

#### 4. Evaluate the program's effectiveness.

As with any training or long-term development initiative, goals and measures to assess outcomes should be identified during the planning phase. Goals may include improvement in the key competencies identified during the organizational assessment, but may also include improved productivity, decreased turnover, and improved employee engagement and morale. To assess these, a control group of non-participants can be compared to the participant group at regular intervals agreed to by senior management (e.g., three, six, nine months, and a year after the start of the initiative). Senior leaders should be reminded that this type of initiative will require time because it involves behavior change. HR and talent management professionals should take the lead to ensure that these measures are assessed and reported back to senior management.

### Company Spotlight: Sheraton Studio City

In December 2002, a new general manager was brought in to a Sheraton in Orlando, Florida to make some badly needed changes. The hotel, a 302 room/592 bed property had suffered in recent years. The hotel's sales were down, customer satisfaction ratings were unacceptable, employee morale was low, and teamwork was poor.



With the help of an emotional intelligence consulting firm, an organizational climate assessment was conducted to pinpoint the issues from the employees' perspectives. The study found three "hotspot" issues: collaboration, trust, and employee motivation. Over the next 10 months, the consultants worked with the management team, providing them 18 hours of emotional intelligence training. The front desk team participated in similar training, and four groups of line staff received two hours of training. In addition, several leaders received one-on-one coaching varying in length from two to 12 hours.

As a result of the training, the organizational climate at the Sheraton Studio City showed significant signs of improvement. Customer service ratings rose 8 percent. Employee turnover dropped nearly 20 percent and market share rose 23 percent. In addition, the property was Sheraton's top rated vacation property in October and December 2003.

(Source: Freedman, 2010.)

## Conclusion

The concept of emotional intelligence has stood the test of time, and study after study has demonstrated the value it can bring to an organization. HR and talent management professionals have the opportunity to improve their organizations' productivity and bottom lines by making increased emotional intelligence a strategic organizational goal. It will require assessment, planning, and long-term commitment for everyone involved, but the potential benefits make the effort and time commitment well worth it.

## About UNC Executive Development

Our approach to program design and delivery draws upon the power of real-world, applicable experiences from our faculty and staff, integrated with the knowledge our client partners share about the challenges they face.

We call this approach [The Power of Experience](#). We combine traditional with experiential and unique learning to ensure that all individuals gain relevant new skills that they can easily implement within their own organizations. Through action learning and business simulation activities, we challenge participants to think, reflect and make decisions differently.

### Our Approach: The Partnership

Our team customizes each leadership program through a highly collaborative process that involves our clients, program directors, faculty and program managers. We are dedicated to following-up with our clients and individual participants to ensure that their learning experiences have been meaningful and impactful. This integrated approach consistently drives strong outcomes.

### Our Approach: The Results

Our executive education programs are designed with results in mind, and we are focused on successfully meeting our clients' business and academic expectations. Below are a few examples of the results our client partners have achieved:

- Leadership refocused with new strategy and cohesive vision
- Strategic plans created for the global marketplace
- Supply chains streamlined
- Products redefined
- New markets targeted
- Cost-saving measures developed
- Silos leveled
- Teams aligned

Participants leave empowered to bring in new ideas, present different ways to grow business and tackle challenges. The result is stronger individuals leading stronger teams and organizations.

### Contact Us

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