

EMOTIONAL INTELLIGENCE: KEY TO BUSINESS SUCCESS

SUJATA PRIYAMBADA DASH

Birla Institute of Technology,
Department of Management,
BIT, Mesra, Ranchi-835215.

Abstract

Emotional Intelligence (EI) is a best practice business management approach. It is the single best predictor of performance in the workplace and the strongest driver of leadership and personal excellence. The importance of emotional intelligence is increasingly being realized and a school of thought consider that beside intelligence quotient (IQ), emotional intelligence is also very important for success. Persons having intelligence quotient but with clouded emotions are less successful in achieving their objectives in life as compared with subjects having more EI yet average IQ. The paper had attempted in describing and pointing out the relevant dimensions of emotional intelligence which thereby helps every practitioner to think and improvise emotional intelligence in people who are the main essence of business success. In a nutshell, emotional intelligence refers to the ability to identify and manage one's own emotions, as well as the emotions of others that helps in drives business success.

Keywords: Emotional Intelligence, Intelligence Quotient, Business Success

1. Introduction

Over the last two decades organizations have seen as a fundamental shift in management style. Roles have become more customer orientated and knowledge based with the need to work as a team. This has resulted in individuals having more overall autonomy, even at fairly low levels within organizations. This has created organizational cultures that has less autocratic with only a few levels of management. The very nature of such organizations has allowed those with highly developed social skills to be as successful as those who excel academically. The historical timeline of 'social or emotional intelligence' shows this is not a new concept, but one that has gained general agreement as a key element of workplace success.

Emotional intelligence (EI) is the capacity for recognising our non-feelings and those of others, for motivating ourselves and others, for motivating emotions effectively in ourselves and others Daniel Goleman (2001). Emotional Intelligence is the ability to perceive emotions, to access and generate emotions so as to assist thought, to understand emotions and emotional knowledge, and to reflectively regulate emotions so as to promote emotional and intellectual growth (Peter Salovey & John Mayer, 1997). An emotional competence is a learned capability based on emotional intelligence that contributes to effective performance at work.

The term "Emotional Intelligence" seems first to have appeared in a 1964 paper by Michael Beldach, and in the 1966 paper B. Leuner entitled Emotional Intelligence and emancipation which appeared in the psychotherapeutic and child psychiatry. The term Emotional Intelligence was officially coined in 1990 by Peter Salovey and John Mayer. However, the term became widely known with the publication of Goleman's book: EMOTIONAL INTELLIGENCE- WHY IT CAN MATTER MORE THAN IQ (1995).

Emotional intelligence can be abbreviated to (EI), and can also be referred to as Emotional Quotient (EQ).

2. Emotional Intelligence Concept

The Father of Emotional Intelligence is Dr. Daniel Goleman. The psychologists Salovey and Mayer originally coined the term 'emotional intelligence' in 1990. However, Daniel Goleman popularized it in 1995.

According to Goleman, emotional intelligence is understanding one's own feelings, empathy for feelings of others and the regulation of emotion in a way that enhances living.

According to Maurice Elias (2001), emotional intelligence is the set of abilities that we like to think of as being on the other side of the report card from the academic skills.

According to Peter Salovey and John Mayer (2002), emotional intelligence is the ability to perceive emotions, to access and generate emotions so as to assist thought, to understand emotions and emotional meanings, and to reflectively regulate emotions in ways that promote emotional and intellectual growth.

According to Hein (2005, 2008, 2009), emotional intelligence is:

Hein (2005): The mental ability we are born with which gives our emotional sensitivity and potential for emotional management skills that help us maximize our long term health, happiness and survival.

Hein (2008): Knowing how to separate healthy from unhealthy feelings and how to turn

negative feelings into positive ones.

Hein (2009): Emotional intelligence is the innate potential to feel, use, communicate, recognize, remember, learn from, manage, understand and explain emotions.

According to Byron Stock (2007), emotional intelligence (EI) is the ability to acquire and apply knowledge from your emotions and the emotions of others. You can use the information about what we are feeling to help us make effective decisions about what to say or do (or not to say or do) next. Table 1 depicts the descriptions of varied researchers on EQ.

Table 1: EQ Timeline

Year	Researchers'	Description
1930s	Edward Thorndike	Social intelligence- the ability to get along with other people
1940s	David Wechsler	Suggests that affective components of intelligence may be essential to success in life
1950s	Humanistic psychologists (e.g. Abraham Maslow)	Described how people can build emotional strength
1975	Howard Gardner	Introduces the concept of multiple intelligence in book ' <i>The Shattered Mind</i> '
1985	Wayne Payne	Introduces the term 'emotional intelligence' in his doctoral dissertation entitled 'A study of Emotion: Developing Emotional Intelligence; Self integration; Relating to Fear, Pain and Desire
1987	Keith Beasley and Reuven Bar-On	Use the term 'emotional quotient' (EQ)- Beasley in a Mensa Magazine article and Bar-On in the published version of his graduate thesis
1990	Peter Salovey and John Mayer	Publish their landmark article, 'Emotional intelligence', in the journal <i>Imagination, Cognition and Personality</i>
1996	Consortium for Research on Emotional Intelligence in organizations	Conduct research to identify emotional and social factors that are important in job success

Source: Authors Representations

2.1 Why consider Emotional Intelligence?

As long as we have to work with other people (and we do) and as long as we serve human customers (and we will), emotional intelligence in business will be an essential part of negotiating the complexities and dilemmas of those relationships for the best outcomes. Some contributing factors are:

- **Digital transformation:** This seems counterintuitive at first glance. The rapid development and hyper-focus on AI and machine learning have also reminded of the importance of balancing it with the human strengths such as empathy and emotional intelligence.
- **Leaders with higher EQ get better results:** Happier employees are more productive and innovative. But different people are motivated differently, and emotionally intelligent leaders find out what works for each individual and adjust their approach accordingly instead of forcing a one-size-fits-all solution. Happier employees make happier customers make higher profits.

Workplace culture grows out of the tone set by EQ levels of executives. That willingness to listen to others and to adjust one's own behavior and course of action radiates outward, emerging in the customer experience with the organization.

Daniel Goleman says of emotional intelligence among executives:

“The most effective [business] leaders are all alike in one crucial way: they all have a high degree of what has come to be known as emotional intelligence. It’s not that IQ and technical skills are irrelevant. They do matter, but...they are the entry-level requirements for executive positions.”

Unless one's work in an overtly life-and-death situation on the regular, we're probably likely to prefer a balance of IQ and EQ in our co-workers. When someone is miserable and insufferable to work with every day, the value of their great technical skill and intelligence plummets.

Moreover, emotional intelligence improves relationships with human beings; improves communication with people; makes better empathy skills; acting with integrity; helps one to get respect from others; to improve career prospects; managing change more confidently; enjoy the work wholeheartedly; feeling confident and positive in attitude; to reduce stress levels; to increase creativity; and to learn from mistakes.

3. Emotional Intelligence- The Way Forward

Promoting Emotional Intelligence at the workplace

The work conducted in most organizations has changed dramatically in the last 20 years. Of course, there are now fewer levels of management and management styles are less autocratic. But there has also been a decided move toward knowledge and team-based, client-oriented jobs so that individuals generally have more autonomy, even at the lower levels of organizations. Since modern organizations always look to improve performance, they recognize that objective, measurable benefits can be derived from higher emotional intelligence. To name a few, these include increased sales, better recruitment and retention, and more effective leadership. Naturally, the criteria for success at work are changing too. Staff is now judged by new yardsticks: not just by how smart they are, or by their training and expertise, but also by how well they handle themselves and one another, and that is strongly influenced by personal qualities such as perseverance, self-control, and skill in getting along with others. Increasingly, these new yardsticks are being applied to choose who will be hired and who will not, who will be let go and who will be retained, and who will be past over or promoted.

Emotional intelligence may be the (long sought) missing link that unites conventional “can do” ability determinants of job performance with “will do” dispositional determinants. Modern organizations now offer learning and development that is explicitly labelled as “emotional intelligence” or “emotional competence” training. In support, their leaders create and manage a working environment of flexibility, responsibility, standards, rewards, clarity, and commitment.

Emotional Intelligence (EQ) and IQ

- When psychologists first began to write and think about intelligence, they focussed on cognitive aspects such as memory and problem solving for the simple reason that they are easy to measure. This became known as Intelligence Quotient, or IQ. However, there were researchers who recognized early on that the non-cognitive aspects were also important.

- As early as the 1940s psychologists were referring to ‘non-intellective’ as well as ‘intellective elements of intelligence’, by which they meant personal and social factors. Furthermore, they proposed that these non-intellective abilities are essential for predicting someone’s ability to succeed at work and in life.
- These theories were given support by the Ohio State Leadership Studies (1940s) which found that leaders who were able to establish *mutual trust, respect*, and a certain *warmth and rapport* with members of their group will be more effective. In addition, the US Office of Strategic Services developed a process of assessment that included the evaluation of non-elective abilities.
- This evolved into the ‘assessment center’, which was first used in the private sector at AT &T in the mid- 1950s. Many of the personal attributes measured in assessment centers involve social and emotional factors as *initiative, sensitivity and interpersonal skills*.
- Salovey and Mayer summarized EQ as an accuracy at perceiving and understanding emotional state in the self and in others and effectiveness of regulating, controlling and using these emotions in order to achieve one’s goals. They proposed that there are four fundamental aspects to emotional intelligence.

4. Emotional Intelligence- Best Practice Management Approach

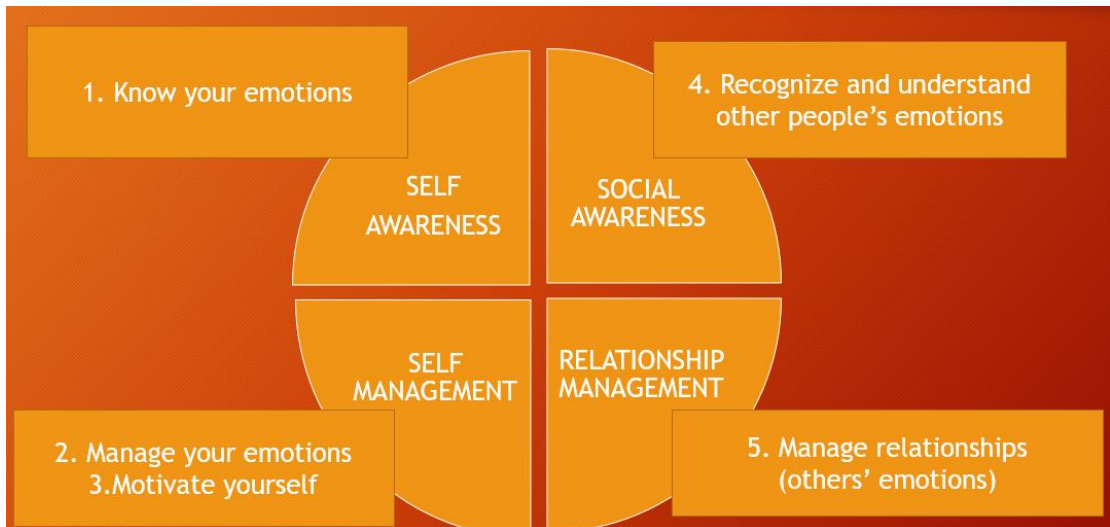
Goleman’s conceptual model of emotional intelligence and corresponding emotional competencies. The constructs and competencies fall under one of four categories: the recognition of emotions in oneself or others and the regulation of emotion in oneself or others. The five domains of Goleman’s EQ model have become de facto standard as far as applying emotional intelligence in the workplace is concerned. Many business-orientated models represent these five domains in four quadrants: two represent personal competence and two represent social competence.

Goleman’s new model outlines four main EI constructs:

1. Self-awareness- the ability to read one’s emotions and recognize their impact while using gut feelings to guide decisions.
2. Self-management- involves controlling one’s emotions and impulses and adapting to changing circumstances.
3. Social awareness- the ability to sense, understand, and react to others emotions while comprehending social networks.
4. Relationship management- the ability to inspire, influence, and develop others while managing conflict.

Daniel Goleman's Emotional Intelligence Model

Figure 1: Daniel Goleman's Emotional Intelligence Model



Source: http://www.transgrowth.com/transgrowth_website/ei_competencies.php

5. Survey Highlights

1. Nowack, K. (2017). Sleep, Emotional Intelligence, and Interpersonal Effectiveness: Natural Bedfellows. *Consulting Psychology Journal: Research and Practice*, 69, 66-79.

According to the National Sleep Foundation's Sleep in America Poll, U.S. adults sleep between 6.7 to 7.3 hr every night, which has decreased by approximately 2 hours per night since the 19th century (National Sleep Foundation, 2016). Inconsistent or insufficient sleep can be costly for business, impacting leadership decision making/judgment, interpersonal relations, absenteeism, presenteeism, safety, productivity, and health (Gaultney & Collins-McNeil, 2009; Mills et al., 2007; Rosekind et al., 2010). Daytime sleepiness can be dangerous, and inadequate sleep is a known health hazard resulting in fatigue that can impair both performance and social functioning. In light of existing research on the effects of insufficient sleep on work performance, this study investigated the relationship between self-reported sleep quality and quantity (Stress Profile) of leaders with a concurrent evaluation of relationship skills by their manager and others (direct reports and peers) on a measure of emotional and social competence. Regression analyses indicated that leaders who reported poor quality and quantity of sleep were rated significantly lower on interpersonal effectiveness after controlling for gender and perceived work/life stress by their direct reports and peers but not by their manager.

2. Miao, C., Humphrey, R. H., & Qian, S. (2017). A meta-analysis of emotional intelligence effects on job satisfaction mediated by job resources, and a test of moderators. *Personality and Individual Differences*. 116, 281-288.

This paper examines whether job resources act as a mediator in the emotional intelligence (EI)—job satisfaction relationship, and examines possible moderators, including gender, age, tenure, and job level. We conducted a meta-analysis to explore these relationships. The meta-analysis demonstrated that: First, EI is positively related to job resources ($k = 15$, $N = 4151$; overall EI: $\hat{\rho} = 0.27$; ability EI: $\hat{\rho} = 0.24$; self-report EI: $\hat{\rho} = 0.27$; mixed EI: $\hat{\rho} = 0.28$). Second, job resources mediate the relationship between EI and job satisfaction.

Third, the relationship between EI and job satisfaction does not differ across gender, age, and tenure, meaning that regardless of whether an employee is male or female, young or old, or having short or long tenure, they equally benefit from EI. The moderator effect of job level is only significant for self-report EI—job satisfaction and this relationship is stronger in non-managerial jobs than in managerial jobs. Yet, the moderator effect of job level is not significant for ability EI—job satisfaction and mixed EI—job satisfaction meta-analytic distributions. These results indicate that EI aids employees by helping them obtain job resources, and that both job resources and EI have practical implications in terms of employee job satisfaction.

3. Miao, C., Humphrey, R. H., & Qian, S. (2017). Are the emotionally intelligent good citizens or counterproductive? A meta-analysis of emotional intelligence and its relationships with organizational citizenship behavior and counterproductive work behavior. *Personality and Individual Differences*, 116, 144-156.

This research project examines whether emotional intelligence (EI) is related to organizational citizenship behavior (OCB) and counterproductive work behavior (CWB). A key question concerns the degree to which EI is related to OCB and CWB after controlling for other established predictors. The study uses meta-analytical summaries of existing research (for EI-OCB, $k=68$, $N = 16,386$; for EI-CWB, $k= 17$, $N = 3914$). It uses meta-analytical controls to obtain the best estimates of effect sizes, incremental validity, and relative importance. This meta-analysis found that EI is positively associated with OCB and negatively related to CWB. When controlling for ability measures of EI, the Big Five personality measures, general self-efficacy, cognitive intelligence, and self-rated performance, both self-report measures of EI and mixed competency measures of EI show incremental validity and relative importance in predicting OCB and CWB. An analysis of self-report EI found that the effects of EI on OCB and CWB are stronger in health care and service industries than in industries where emotional labor demands are lower. The results imply that organizations can increase OCB and reduce CWB by recruiting employees high in EI and by training employees in emotional competencies.

4. Miao, C., Humphrey, R. H., & Qian, S. (2016). Leader emotional intelligence and subordinate job satisfaction: A meta-analysis of main, mediator, and moderator effects. *Personality and Individual Differences*, 102, 13-24.

Based on a meta-analysis, leaders' emotional intelligence (EI) positively relates to subordinates' job satisfaction. . All three EI streams (ability, self-report, mixed) exhibit significant incremental validity and relative importance (RW) in the presence of personality and cognitive ability in predicting subordinates' job satisfaction. Leaders' EI demonstrates significant incremental validity and RW in the presence of subordinates' EI in predicting subordinates' job satisfaction. Subordinates' EI positively relates to leaders' EI and mediates the relationship between leaders' EI and subordinates' job satisfaction. Moderator analyses indicate that (1) ability EI has a lower association with subordinates' job satisfaction than self-report EI and mixed EI; and (2) leaders' EI more positively relates to subordinates' job satisfaction in low in-group collectivistic or low humane oriented cultures.

5. Momm, T., Blickle, G., Liu, Y., Wihler, A., Kholin, M., & Menges, J. I. (2015). It pays to have an eye for emotions: Emotion recognition ability indirectly predicts annual income. *Journal of Organizational Behavior*, 36, 147-163.

This study examines how the emotion recognition ability relates to annual income. Participants were 142 employees working in various jobs and organizations in Germany. Emotion recognition was assessed with the Diagnostic Analysis of Nonverbal Accuracy 2, a self-report measure which asks participants to identify facial and vocal emotional expressions. Results revealed that the relationship between emotion recognition ability and annual income is mediated by political and interpersonal skills. This means that the better people are at recognizing emotions, the better they handle the politics in organizations and the interpersonal aspects of work life, and thus the more they earn in their jobs. The findings imply that emotional abilities enable people to be more successful at work.

6. Parke, M.R., Seo, M.G., & Sherf, E.N. (2015). Regulating and facilitating: The role of emotional intelligence in maintaining and using positive affect for creativity. *Journal of Applied Psychology*, 100(3), 917-934.

This study examined how two facets of EI - emotion regulation and emotion facilitation - can shape employee creativity, an important element to driving innovation at work. The study used a multimethod (MSCEIT, experience sampling, survey) and multisource (archival, self-reported, supervisor-reported) research design of early career managers in the U.S. across a wide range of jobs. The study found that emotion regulation ability enables employees to maintain higher positive affect (e.g., excitement and enthusiasm) while emotion facilitation ability enables employees to use their positive affect to enhance their creativity, as measured by their supervisors. A sample item for creativity was: "This person comes up with new and practical ideas to improve performance." The findings indicate that EI is an important variable to consider when hiring knowledge workers to produce creativity in jobs. Because EI tests exist, organizations could include these tests with other personality measures for screening purposes. Employees can also be trained to increase their abilities at managing their emotional states and responses to work requirements.

7. Koveshnikov, A., Wechtler, H., & Dejoux, C. (2014). Cross-cultural adjustment of expatriates: The role of emotional intelligence and gender. *Journal of World Business*, 49, 362-371.

The study examines the role of EI in cross-cultural adjustment of expatriates on international assignments. Participants were 269 expatriates from a French company working in 133 countries. The independent variable, EI, was measured using SSEIT, a self-report instrument measuring appraisal, expression, regulation and utilization of emotion. The dependent variable, cross-cultural adjustment, was measured from the point of view of the expatriate based on three factors (general adjustment, interaction adjustment, and work adjustment). Cultural similarity and prior international experience were used as control variables. The results revealed a significant and positive relationship between EI and expatriates' cultural adjustment after controlling for cultural similarity and international experience. This finding suggests that it may be beneficial for organizations to leverage EI as a factor when selecting employees to go on expensive international assignments.

8. Mahon, E.G., Taylor, S.N., & Boyatzis, R.E. (2014). Antecedents of organizational engagement: exploring vision, mood and perceived organizational support with emotional intelligence as a moderator.

Frontiers in Psychology. **Link to full- text article: <http://journal.frontiersin.org/Journal/10.3389/fpsyg.2014.01322/abstract>**

As organizational leaders worry about the appalling low percentage of people who feel engaged in their work, academics are trying to understand what causes an increase in engagement. We collected survey data from 231 team members from two organizations. We examined the impact of team members' emotional intelligence (EI) and their perception of shared personal vision, shared positive mood, and perceived organizational support (POS) on the members' degree of organizational engagement. We found shared vision, shared mood, and POS have a direct, positive association with engagement. In addition, shared vision and POS interact with EI to positively influence engagement. Besides highlighting the importance of shared personal vision, positive mood, and POS, our study contributes to the emergent understanding of EI by revealing EI's amplifying effect on shared vision and POS in relation to engagement. We conclude by discussing the research and practical implications of this study.

9. O'Boyle, E. H., Jr., R. H. Humphrey, et al. (2011). The relation between emotional intelligence and job performance: A meta-analysis.

Journal of Organizational Behavior, 32(5), 788-818.

This meta-analysis builds upon a previous meta-analysis by (1) including 65 per cent more studies that have over twice the sample size to estimate the relationships between emotional intelligence (EI) and job performance; (2) using more current meta-analytical studies for estimates of relationships among personality variables and for cognitive ability and job performance; (3) using the three-stream approach for classifying EI research; (4) performing tests for differences among streams of EI research and their relationships with personality and cognitive intelligence; (5) using latest statistical procedures such as dominance analysis; and (6) testing for publication bias. We classified EI studies into three streams: (1) ability-based models that use objective test items; (2) self-report or peer-report measures based on the four-branch model of EI; and (3) "mixed models" of emotional competencies. The three streams have corrected correlations ranging from 0.24 to 0.30 with job performance. The three streams correlated differently with cognitive ability and with neuroticism, extroversion, openness, agreeableness, and conscientiousness. Streams 2 and 3 have the largest incremental validity beyond cognitive ability and the Five Factor Model (FFM). Dominance analysis demonstrated that all three streams of EI exhibited substantial relative importance in the presence of FFM and intelligence when predicting job performance. Publication bias had negligible influence on observed effect sizes. The results support the overall validity of EI.

Conclusion

It is possible for people of all ages to become more socially and emotionally competent. Developing emotional competence requires that we unlearn old habits of thought, feeling, and action that are deeply ingrained, and grow new ones. Such a process takes motivation, effort, time, support, and sustained practice. This would include most management and executive development efforts as well as training in supervisory skills, diversity, teamwork, leadership, conflict management, stress management, sales, customer relations, etc. It is important to mention that developing emotional and empathetic skills is a long process with continuous effort, but in the end, everyone will benefit at the personal and group working level. Hence, emotional intelligence is a best practice approach to business management.

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