



The Business Case for Emotional Intelligence at Work

Why do we hear these terms so much these days...

- **Employer of choice?**
- **Organisational commitment?**
- **Effective performance management & employee feedback?**
- **Employee turnover?**
- **Job satisfaction?**
- **Absenteeism?**
- **Leadership and teamwork effectiveness?**
- **Employee retention rates?**

because...

- **Because they all hit the bottom line performance of organisations**
- **Because employees are the new commodity in many organisations**
- **Because employees are now highly mobile and the costs associated with recruitment and training and development are increasing and will continue to do so.**

Interesting figures...

- Over the next 15 years the demand for skilled labour is predicted to expand by about 33% assuming GDP of 2%
- Yet 15% of the current skilled labour force will vacate their positions over the next 10 years
 - Demand will increase
 - Supply will decrease

Chambers et al, 1998

- “Companies are about to be engaged in a war for employee talent that will remain a defining characteristic of their competitive landscape for decades to come. Yet most are ill prepared, and even the best are vulnerable...employee talent has been the most under managed corporate asset for the past two decades”

So how do we...

- **Become an employer of choice?**
- **Get better commitment from our employees?**
- **Provide effective performance management & employee feedback?**
- **Improve employee turnover?**
- **Improve job satisfaction?**
- **Reduce absenteeism?**
- **Improve leadership and teamwork effectiveness?**
- **Improve employee retention rates?**

So how do we...

*by developing an interpersonally effective
workplace culture!*

An interpersonally effective workplace culture is one that...

- **Makes employees feel valued**
- **Progresses staff with good people skills**
- **Has leaders who are talented coaches and mentors**
- **Promotes a collaborative working environment**
- **Provides regular feedback and learning experiences**
- **High levels of group engagement and teamwork**
- **Provides personal rewards and recognition**

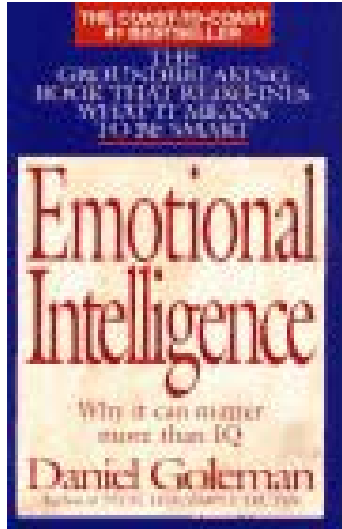
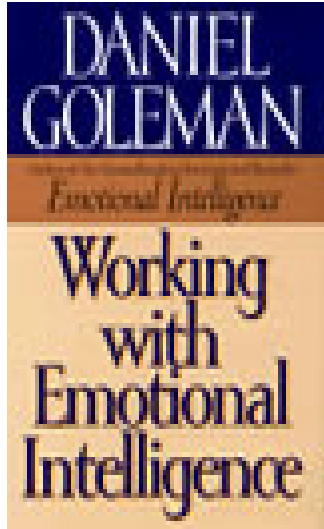
Development...

- Creating this culture and the people needed to sustain it requires a medium for development, and that medium...
 - Is not IQ
 - Is not personality
 - It's emotional intelligence and here's why...

Why?

- IQ and personality are important, but IQ and personality are difficult to change and develop
- IQ and personality do not typically underlie or account for the types of people skills associated with the terms we have been looking at (e.g., leadership, teamwork, organisational commitment, job satisfaction, absenteeism etc)
- Research shows that emotional intelligence does underlie these types of people skills in the workplace and emotional intelligence can be developed.

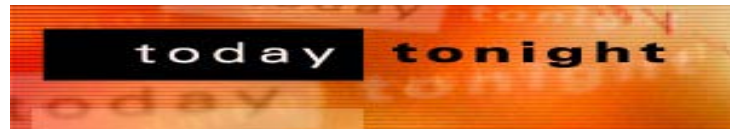
Its for these reasons EI is so popular...



Most requested reprint of the review for the last 40 years



Most widely read social science book in the world



Emotional Intelligence

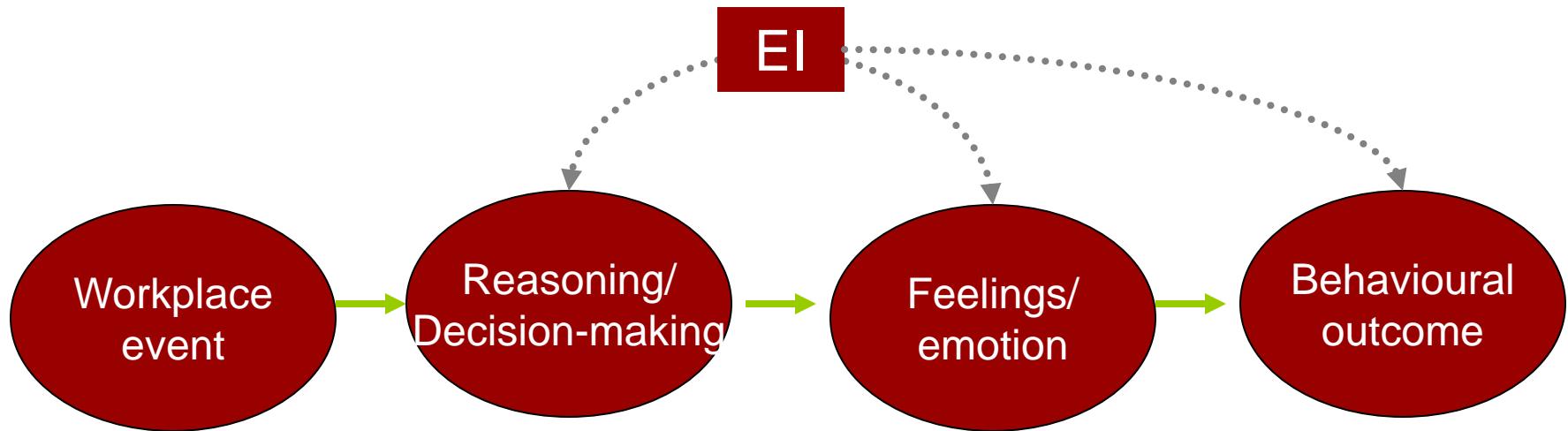
- What is it
- What evidence exists that this is the medium for development
- When its developed what does that translate to (ROI).
- Group activity on implementation

Emotional Intelligence

- Emotions play a large role in how we think and behave, they...
 - Influence our thoughts and the decisions we make – e.g., if we feel negatively about something or someone or an event, then we tend to appraise that as a negative experience and respond accordingly
- Emotions also play a large role in our outward displays and behaviours, they help define...
 - Our tone of voice
 - Our body language
 - Our facial expressions

Emotional Intelligence

- EI involves thinking “intelligently” about our emotions and how they impact on our thoughts and behaviours



EI is comprised of 5 key capabilities

(1) Recognising and expressing emotions

The ability to perceive and understand one's own emotions and to express emotions to others.

People high in this dimension are typically...

- **Aware of their own emotions and how they impact on their outward displays and behaviours in the workplace**
- **Identify and understand the causes and consequences of their emotions at work**
- **Effectively communicate how they feel about work related people and issues to others**

(2) Understanding Emotions

Awareness of Others; the ability to perceive and understand the emotions of others.

People high in this dimension typically...

- Readily understand the reasons why they have upset someone at work
- When discussing an issue, find it easy to tell whether colleagues feel the same way as they do
- Can pick-up on the emotional tone of staff meetings
- Watch the way clients react to things when trying to build rapport with them

(3) Decision-Making

The extent to which emotions and emotional information is utilised in reasoning and decision making.

People high in this dimension typically...

- Weigh-up how they feel about different solutions to work related problems
- Consider the feelings and perspectives of others when making decisions at work
- Incorporate emotional information in reasoning and decision-making at work

(4) Managing Emotions

The ability to manage one's own and others emotions at work.

People high in this dimension typically...

- Intervene in an effective way when colleagues or clients get 'worked-up'
- Are able to remain optimistic in the face of adversity in the workplace
- Know how to make others feel optimistic and enthusiastic about work
- Effectively regulate and manage their own emotions in the workplace

(5) Controlling Emotions

The ability to effectively control strong emotions experienced at work.

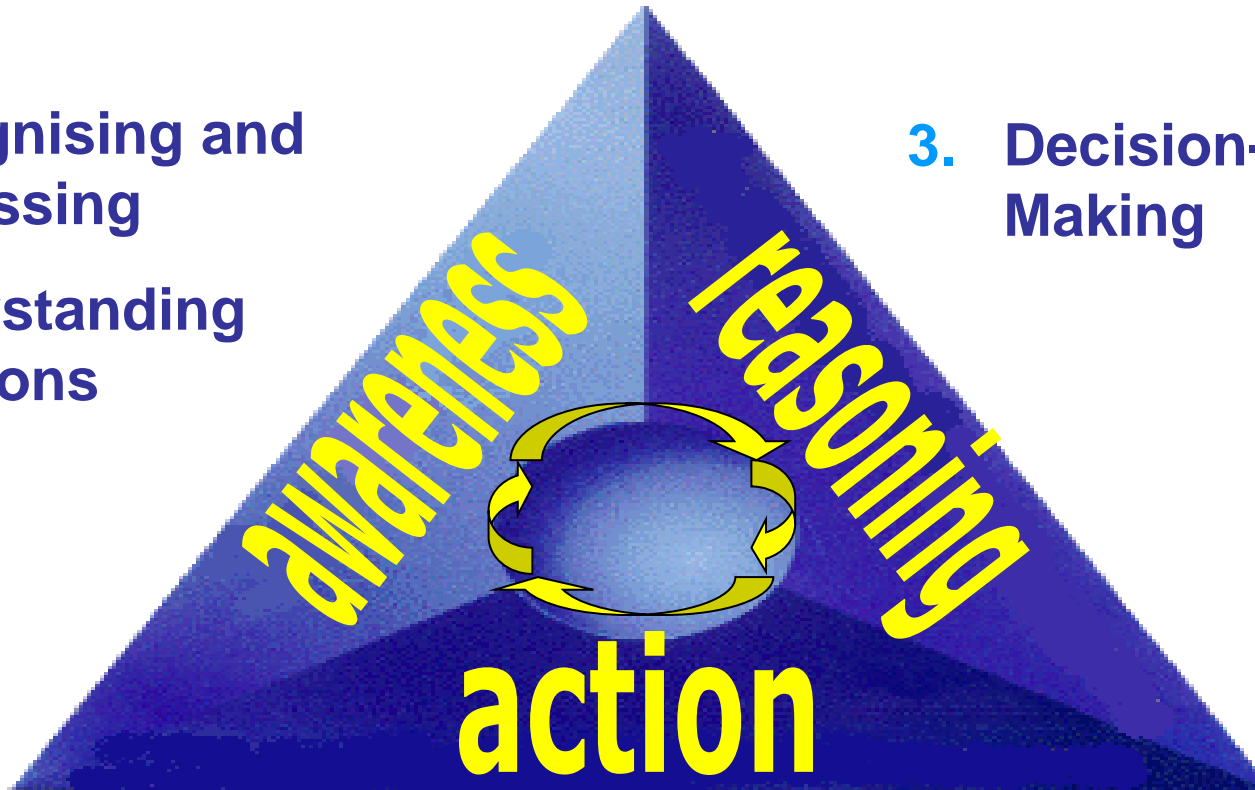
People high in this dimension typically...

- Overcome anger at work by thinking through what's causing it
- Find it easy to concentrate on a task when really excited about something
- Can be upset at work and still think clearly
- When anxious, remain focused on what they are doing

Emotional Intelligence

1. Recognising and expressing
2. Understanding Emotions

3. Decision-Making



4. Managing Emotions
5. Controlling Emotions

How is EI assessed?

- 64 item self-assessment / 360-degree assessment that can be undertaken online
- Takes 12-20 mins to do
- Assesses five dimensions of Genos EI by asking how an individual typically thinks, feels, and acts at work

How is EI assessed

- 10-12 items per dimension
- Items assess cross situational consistencies in emotionally intelligent behaviour
- Not an ability assessment
- Measures the extent to which individuals display emotionally intelligent behaviour in the workplace
- People who do typically have higher levels of the underlying abilities

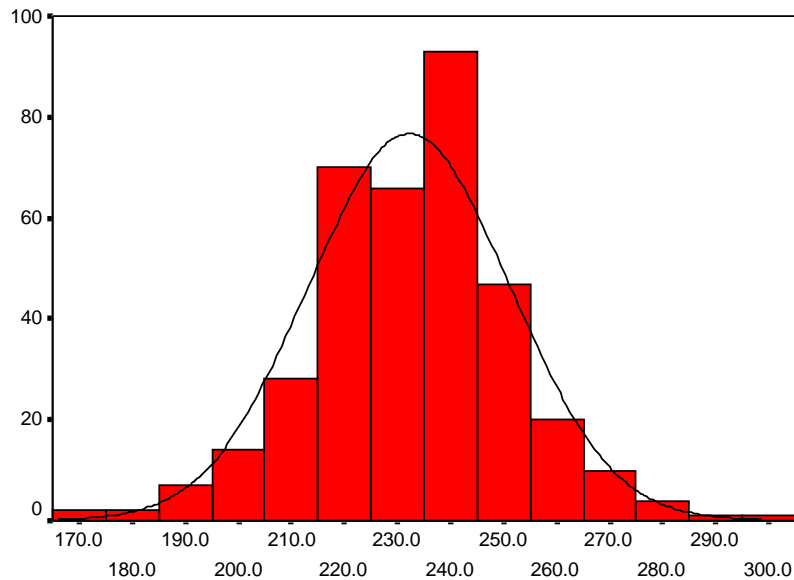
How is EI assessed?

The assessments are benchmarked against either:

1. general workplace norms - a large sample (n ~ 3000) from a broad range of industries in both the private and public sectors all at a general level in the workplace
2. Executive norms – a large sample (n ~ 1059) of people from a broad range of industries all at a senior executive level in the workplace.

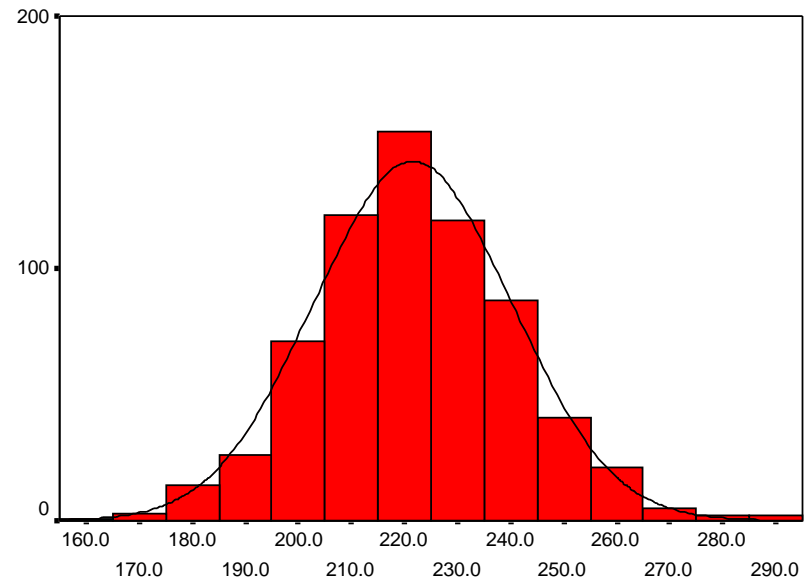
How is EI assessed?

Distributions



TOTALEI

Executive Norms



TOTALEI

General Norms

What does the research say?



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Personality and Individual Differences □ □ □ □ □ □ □ □ □ □

PERSONALITY AND
INDIVIDUAL DIFFERENCES

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Examining the factor structure of the Bar-On Emotional Quotient Inventory with an Australian general population sample

Benjamin R. Palmer^a, Ramesh Manocha^b, Gilles Gignac^a, Con Stough^{a,*}

^aOrganizational Psychology Research Unit, Neuropsychology Laboratory, School of Biophysical Sciences and Electrical Engineering, Swinburne University of Technology, PO Box 218, Hawthorn, Victoria, 3122, Australia
^bUniversity of New South Wales, Australia

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Deficits in emotional intelligence underlying adolescent sex offending

NICOLE MORIARTY, CON STOUGH, PATRICK TIDMARSH,
DARREN EGER AND SUSAN DENNISON

Examining the relationship between leadership and emotional intelligence in senior level managers

Lisa Gardner

Organisational Psychology Research Unit, Swinburne University of Technology, Hawthorne, Victoria

Con Stough

Organisational Psychology Research Unit, Swinburne University of Technology, Hawthorne, Victoria

Emotional intelligence and effective leadership

Benjamin Palmer

Organizational Psychology Research Unit, Neuropsychology Laboratory, Swinburne University of Technology, Hawthorn, Victoria, Australia

Melissa Walls

Organizational Psychology Research Unit, Neuropsychology Laboratory, Swinburne University of Technology, Hawthorn, Victoria, Australia

Zena Burgess

Organizational Psychology Research Unit, Neuropsychology Laboratory, Swinburne University of Technology, Hawthorn, Victoria, Australia

Con Stough

Organizational Psychology Research Unit, Neuropsychology Laboratory, Swinburne University of Technology, Hawthorn, Victoria, Australia



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Personality and Individual Differences 33 (2002) 1091–1100

PERSONALITY AND
INDIVIDUAL DIFFERENCES

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Emotional intelligence and life satisfaction

Benjamin Palmer, Catherine Donaldson, Con Stough*

Organizational Psychology Research Unit, Neuropsychology Laboratory, School of Biophysical Sciences and Electrical Engineering, Swinburne University of Technology, PO Box 218, Hawthorn, Victoria 3122, Australia

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Research Findings (Genos EI)

- Emotional Intelligence is related to:
- Leadership success
- Successful leadership styles (i.e., transformational as apposed to transactional leadership)
- $R = .6$ with transformational
- $R = .1$ with transactional leadership
- $R = -.3$ with If leadership
- EI is qualitatively related to subordinate ratings of leadership effectiveness.

(Gardner & Stough, 2002; Palmer, Gardner & Stough, 2003)

Research Findings (Genos EI)

- **Employees who are more emotionally intelligent are reported by their supervisors as being more...**
- **Innovative and creative in the workplace**
- **Better team players**
- **Exhibit better customer service skills**
- **Exhibit higher organisational commitment**
- **Better sales performance**

(Deguara & Stough, in press)

Research Findings (Genos EI)

- **Emotional Intelligence and other workplace variables; people with higher levels of emotional intelligence report...**
- **Less days off per year (Absenteeism $r = -.54$; 29%)**
- **Higher levels of Job Satisfaction ($r = .49$; 24%)**
- **Lower levels of occupational stress ($r = -.43$; 18%)**

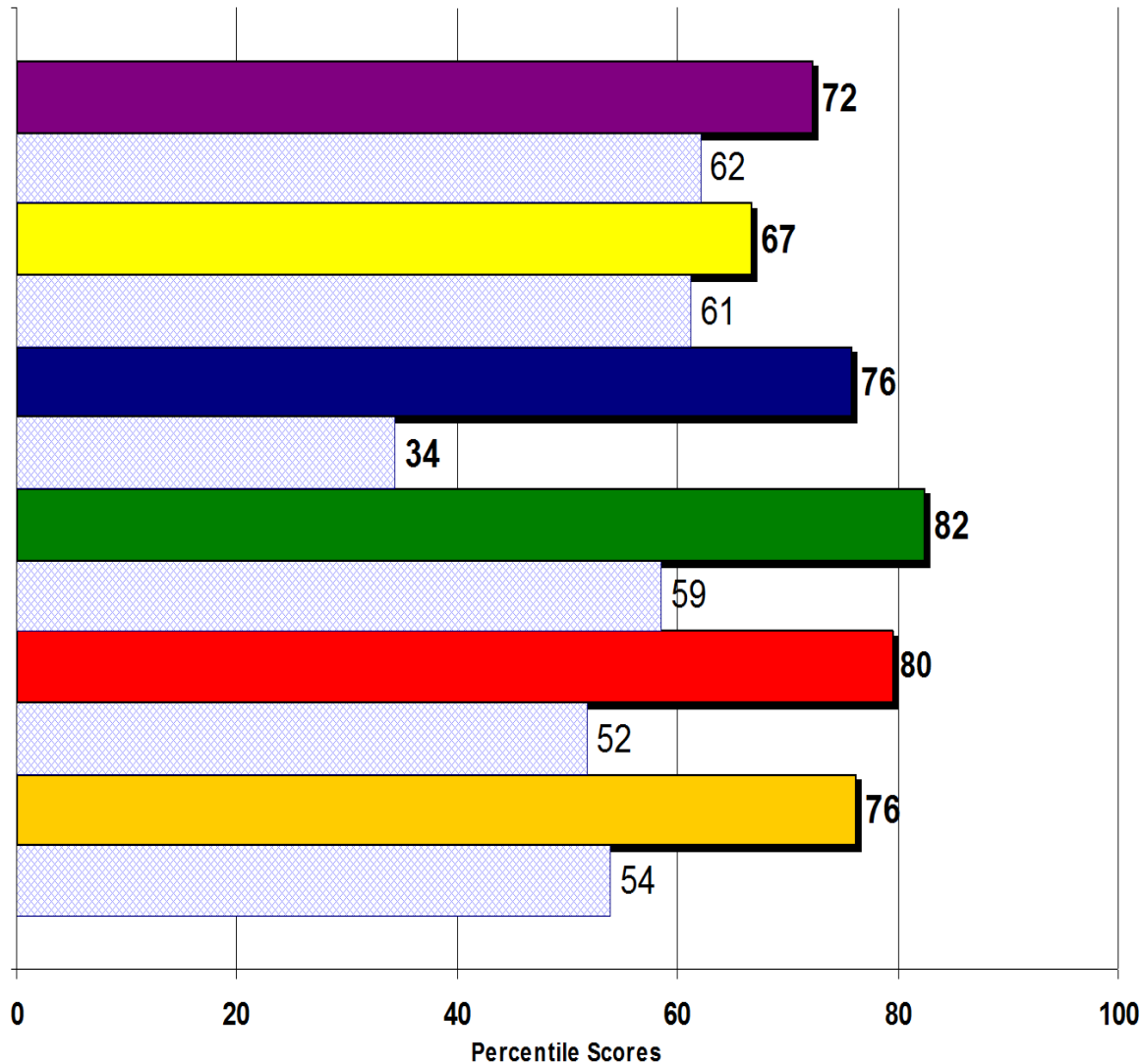
(Gardner & Stough, in press)

What does the research say

- Can Emotional Intelligence be developed?
- What does that translate to?

Increased team EI

- Emotional Control - Time 2
- ▨ Emotional Control - Time 1
- Emotional Management - Time 2
- ▨ Emotional Management - Time 1
- Emotions Direct Cognition - Time 2
- ▨ Emotions Direct Cognition - Time 1
- Understanding Others' Emotions - Time 2
- ▨ Understanding Others' Emotions - Time 1
- Emotional Recognition & Expression - Time 2
- ▨ Emotional Recognition & Expression - Time 1
- Total EI - Time 2
- ▨ Total EI - Time 1



What did that take?

- **EI assessment – pre and post the program**
- **1 full-day and two ½ day group workshops on EI**
- **9 one-on-one EI coaching sessions**
- **A total of 34hrs per person invested over a 3 month period**
- **Developing EI takes time, practice and effort**
- **Return...**

Increases in related variables

Project Effectiveness - Time 2 Team Member Ratings

■ Overall effectiveness towards team goals - Time 2

■ Value of teams contribution - Time 2

■ Interpersonal effectiveness - Time 2

■ Organising and planning - Time 2

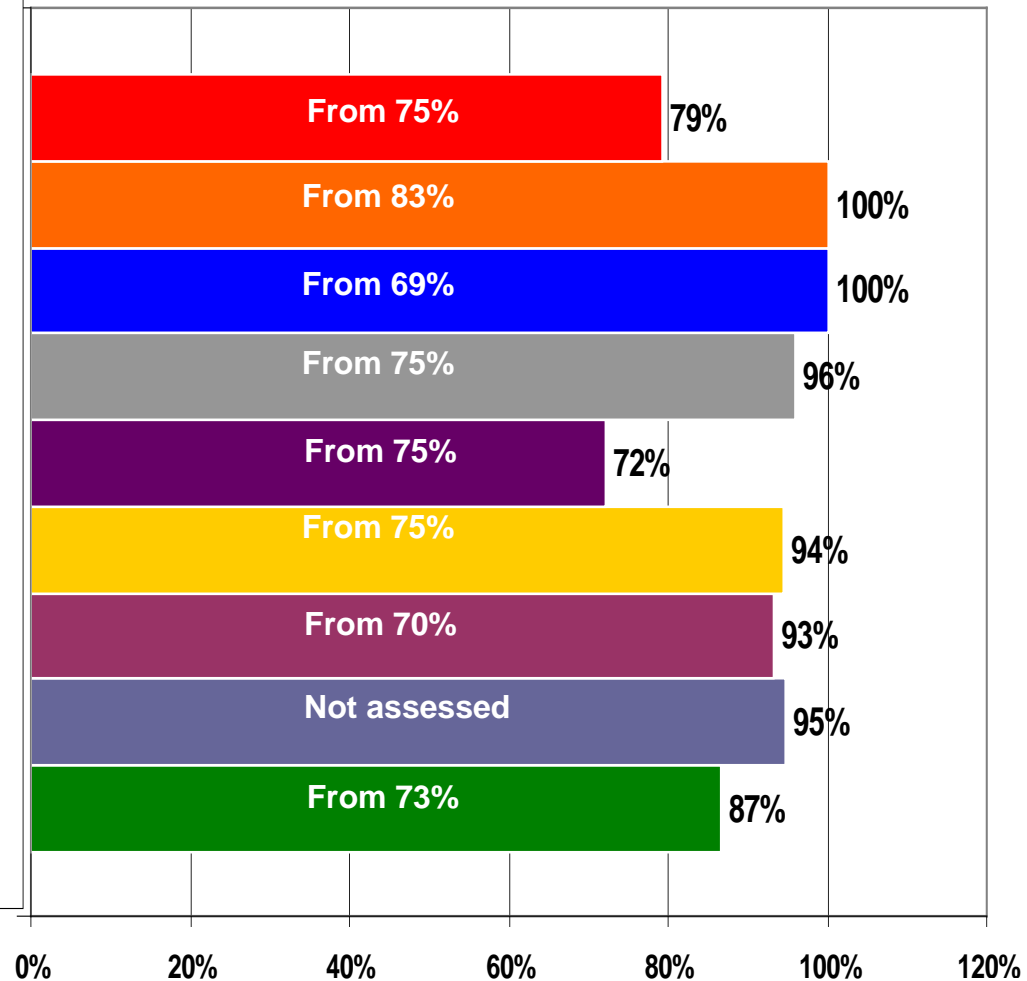
■ Change, flexibility and problem solving - Time 2

■ Quality effectiveness - Time 2

■ Output effectiveness - Time 2

■ Team Aspiration (Motivation) - Time 2

■ Identifying with the Team - Time 2



The business case for EI

- **EI is related to many of today's important people issues:**
 - Leadership
 - Teamwork
 - Absenteeism
 - Job satisfaction
 - Occupational stress
 - Workplace performance

The business case for EI

- Research suggests that EI can be developed and that this development leads to:
 - Better leadership
 - Better team work
 - Greater organisational commitment
 - Greater job satisfaction
 - Overall effectiveness

Would improvements in these areas hit your bottom line?

Perhaps this is why...

- Over 100 of Australia's top organisations are using Genos EI in their employee selection, succession planning and development initiatives.





EI Leadership Training and Development Case Study

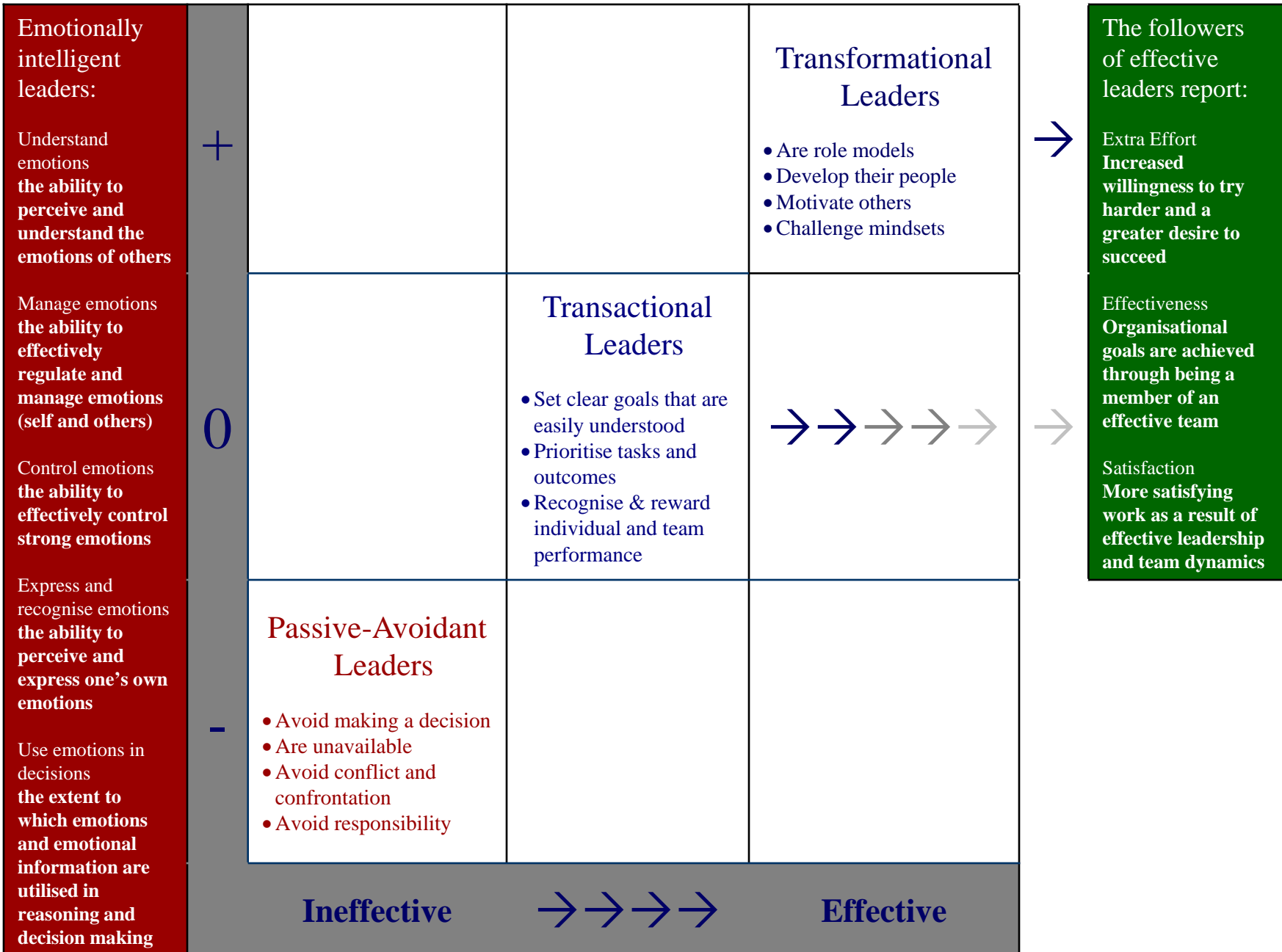
Background

- **Local Government of 850 employees**
- **Business issues include:**
 - **Community responsiveness**
 - **Ethical decision making**
 - **Diversity**
- **Need to change the bureaucratic culture**
- **Need to make managers into leaders**

Solution

- ☑ **Gain commitment/ownership from executive team**

- ☑ **Conduct focus groups with management team and team leaders to:**
 - **Explore daily 'leadership behaviours'**
 - **Define 'The Local Government Leader'**
 - **Describe relationship between EI and leadership**



Solution

- ✓ **Gain commitment/ownership from executive team**
- ✓ **Conduct focus groups with management team and team leaders to:**
 - Explore daily 'leadership behaviours'
 - Describe relationship between EI and leadership
 - Define 'The Local Government Leader'
- ✓ **Deliver leadership workshop to management team:**
 - Link 'The Local Government Leader' framework with real-life examples
 - Explore developing leadership through EI
 - Describe the plan going forward
- ✓ **360-degree EI assessment**
- ✓ **One-to-one 'interpretation' of EI 360-degree report**
- ✓ **Development options (individual and group)**

Success factors

- 1. The need for senior management commitment and support**
- 2. Making a clear link between EI and its practical application in the workplace**
- 3. The importance of up-front information sessions**
- 4. Effective debriefing and interpretation of EI reports**
- 5. The importance of follow-up and regular reinforcement activities**



EI implementation

Group Activity

Group Activity

- **Form small groups according to the following HR topics**
 - Leadership development
 - Succession planning
 - Recruitment
 - Teamwork/group dynamics
 - Organizational development/workplace culture
- **Address the following four questions:**
 - An approach to applying EI to your HR topic?
 - What are some possible hurdles to implementation?
 - How would these hurdles be overcome?
 - How would you assess the ROI?

HR Topics

- Leadership development
- Succession planning
- Recruitment
- Teamwork/group dynamics
- Organizational development/workplace culture

Conclusion

Any
questions?