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## Developing EQ Leadership in the Workplace

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### Abstract

*The need for adaptability to changing environmental conditions has become so acute, that a fundamentally new approach to work, has to be adopted by the organizations in order to meet the pace of events. Out of all the factors, human relations management and nourishment, has become in an increasingly significant factor in the organizational processes. Personnel flexibility on the part of the leader is essential for coping with organizational problems, like reacting fast to the onslaught of competition, or to shortage of financial and technological resources in the face of surging customer demand. To quote Kathryn Harrigan, 1985, “one can state that the barriers to flexibility can be asset specific, but they are more likely to be mental.” In this regard, the role of a leader becomes far more challenging, for he has to direct the organization’s efforts in the right strategic direction to reap the multifaceted benefits of ‘personnel flexibility’. This view has been expressed as it is widely seen that too many leaders refuse to face the ugly reality that they are in a sick business or that their firm’s strategic position has completely gone down the drain. A new direction to this approach is given by introducing an element of ‘emotional quotient’ (Daniel Goleman, 1990s) in the leader’s style of leading the team members.*

**Keywords:** *Decision - making, Social Relations, Stress, Emotions, Ability, Skills, Emotional Intelligence, Emotional Quotient, Intelligence Quotient.*

### Introduction

“How beautiful the world is, and how ugly labyrinths are”, a man said.

”How beautiful the world would be if there were procedures for moving through labyrinths,” his master replied.

Organizations are often confronted with a situation, which demands them to transform in order to survive and march ahead in this happening business scenario. Any type of thinking about our world requires some kind of conceptual model, implicit or otherwise, which directs thinking and renders it meaningful. At every step, there are numerous rights and wrongs, which way we decide to go; will either shape or mar our destiny. Thus, the steps of our success lie in one’s ability to make effective decisions. When ever the competition becomes severe, the management consultants cry “*Change your organization’s policies, the work procedure, the employee engagement programs, the pricing strategy.... And so on...., the list is endless.*” No doubt, that with a shift in the role of the consumer from isolated to connected, from being

unaware to enlightened, today's consumers are challenging the old traditions of the industry. We need to change, and the pillar of success on which the effective change management lies starts with arriving at the right 'decision – making' at each and every step.

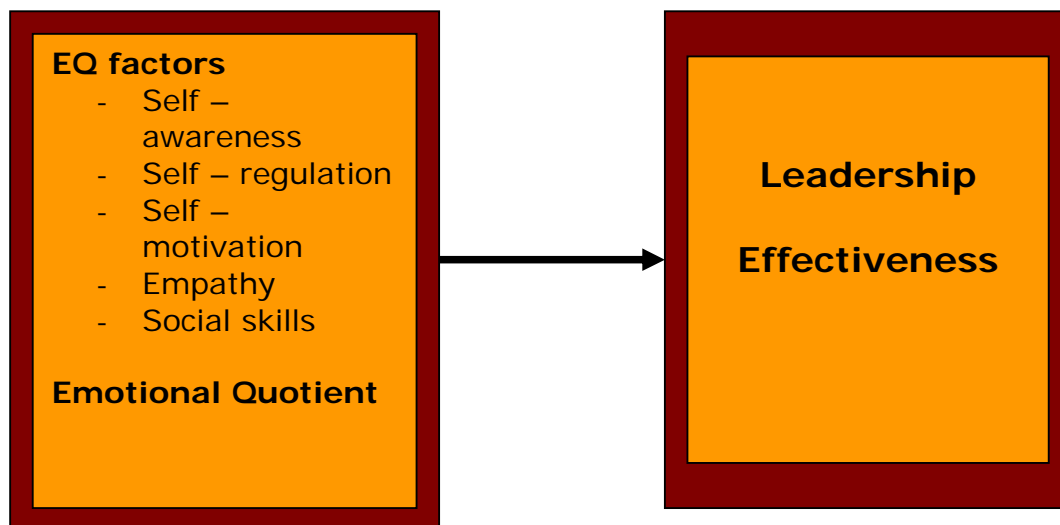
### **Research Objective**

The main purpose of this research is to examine the significance of the relationship between Emotional Quotient (EQ) and leadership effectiveness. For this purpose the impact of EQ on various aspects (decision – making ability, social relations management, stress management) of one's professional and personal life has been deeply studied. The general focus of this research is to seek change management through the exercise of effective decision – making, taking into account the leaders' Emotional Quotient. It is also believed that a strong network eases one's job of implementing change in the organization. Effective stress management helps in improving the leader's effectiveness. These aspects will be seen through the lens of our new skill of leaders, 'emotional intelligence.' Thus, the specific objective is 'To examine how emotional intelligence affects a leader's ability to make decisions and manage stress and social relations in the organizations.' In the words of Kotler (2007), "effective decision – making may be the ultimate test of a leader."

### **“Conceptual Model of the Relationship between EQ and Leadership Effectiveness”**

**Independent Variables  
Variable**

**Dependent**



The research work moves by stating the need for keeping pace with the ever - changing environment, linking the concept of change management to decision – making, social network established by the leader, and stress management; and finally the paper elaborates upon the need for emotional intelligence among the leaders to perform the above stated tasks effectively.

### **Contemporary Interest in the Topic**

When Salovey and Mayer coined the term emotional intelligence in 1990 (Salovey & Mayer, 1990), they were aware of the previous work on non-cognitive aspects of

intelligence. They described emotional intelligence as a form of social intelligence that involves the ability to monitor one's own and others feelings and emotions, to discriminate among them, and to use this information to guide one's thinking and action (Salovey & Mayer, 1990). Salovey and Mayer also initiated a research program intended to develop valid measures of emotional intelligence and to explore its significance. For instance, they found in one study that when a group of people saw an upsetting film, those who scored high on emotional clarity (which is the ability to identify and give a name to a mood that is being experienced) recovered more quickly (Salovey, Mayer, Goldman, Turvey, & Palfai, 1995). In another study, individuals who scored higher in the ability to perceive accurately, understand, and appraise others emotions were better able to respond flexibly to changes in their social environments and build supportive social networks (Salovey, Bedell, Detweiler, & Mayer, 1999).

### **Emotional Intelligence**

The famous line, 'Pen is mightier than sword', made everyone rely on intellectual intelligence as the key to the gate of success. So the prospective leader's score on Intelligence level, Intelligence Quotient, IQ, was a 'jackpot' to get you through the process of screening of an organization. However, with the passage of time, the 'jackpot' took an emotional turn. Management thinkers and psychologists all over the world stressed on the notion that there is more to success than having a high IQ. Stephen Covey says that when we are looking at verbal and reasoning capacities (the typical IQ approach); we focus on a very small spectrum of human intelligence (The competitive paradox, 1996). Through various studies psychologists and management experts have shown that people who are intellectually sharp are not often most successful, either in business or in their personal lives. So the question that surfaces is 'What is missing in their success equation?' The answer is 'Emotional Intelligence', which is measured as Emotional Quotient or EQ.

**Emotional Intelligence (EI)**, often measured as an **Emotional Intelligence Quotient (EQ)**, is a term that describes the ability, capacity, skill or (in the case of the trait EI model) a self-perceived ability, to identify, assess, and manage the emotions of one's self, of others, and of groups. To quote Goleman, 1998, "Emotional intelligence is defined as a person's self – awareness, self – confidence, self – control, commitment and integrity, and a person's ability to communicate, influence, initiate change and accept change. Studies have shown that emotional intelligence significantly influences a leader's ability to be an effective decision handler. Three of the most important aspects of emotional intelligence for a leader's ability to make effective decisions are self – awareness, communication and influence, and commitment and integrity. It has been observed that managers who do not develop their emotional intelligence or who do not use their emotions intelligently, face hurdles in establishing good inter – personal relationships with peers, subordinates, superiors and clients (Goleman, 1998).

In the 1940s, under the direction of Hemphill (1959), the Ohio State Leadership Studies suggested that "consideration" is an important aspect of effective leadership. More specifically, this research suggested that leaders who are able to establish mutual trust, respect, and a certain warmth and rapport with members of their group will be more effective (Fleishman & Harris, 1962). At about the same time, the Office of Strategic Services (1948) developed a process of assessment based on the earlier work of Murray (1938) that included the evaluation of non-cognitive, as well

as cognitive, abilities. This process evolved into the assessment center, which was first used in the private sector at AT&T in 1956 (Bray, 1976). Many of the dimensions measured in assessment centers then and now involve social and emotional competencies such as communication, sensitivity, initiative, and interpersonal skills (Gowing, in press; Thornton & Byham, 1982).

In the early 1990s Daniel Goleman became aware of Salovey and Mayer's work, and this eventually led to his book, *Emotional Intelligence*. Goleman was a science writer for the New York Times, whose beat was brain and behavior research. He had been trained as a psychologist at Harvard where he worked with David McClelland, among others. McClelland (1973) was among a growing group of researchers who were becoming concerned with how little traditional tests of cognitive intelligence told us about what it takes to be successful in life.

IQ by itself is not a very good predictor of job performance. Hunter and Hunter (1984) estimated that at best IQ accounts for about 25 percent of the variance. Sternberg (1996) has pointed out that studies vary and that 10 percent may be a more realistic estimate. In some studies, IQ accounts for as little as 4 percent of the variance. For instance, in the famous marshmallow studies at Stanford University, four year olds were asked to stay in a room alone with a marshmallow and wait for a researcher to return. They were told that if they could wait until the researcher came back before eating the marshmallow, they could have two. Ten years later the researchers tracked down the kids who participated in the study. They found that the kids who were able to resist temptation had a total SAT score that was 210 points higher than those kids who were unable to wait (Shoda, Mischel, & Peake, 1990).

### **Components of Emotional Intelligence**

Daniel Goleman (1998), in his book 'Working with Emotional Intelligence', suggests that emotional intelligence mainly has two components to it- personal competency and social competence. Personal competence determines how we manage ourselves. It consists of the following characteristics-

- Self-awareness- knowing one's internal states, preferences, resources and intuition. It is the ability to recognize a feeling as it happens, to accurately perform self – assessments and have self – confidence. Goleman (1995) considers this element as the keystone of emotional intelligence.
- Self-management- managing one's internal states, impulses, and resources or keeping one's emotions in control. It is the ability to keep disruptive emotions and impulses in check (self – control), maintain standards of honesty and integrity (trustworthiness), take responsibility for one's performance (conscientiousness), handle change (adaptability), and be comfortable with novel ideas and approaches (innovation).
- Motivation- guiding ourselves or facilitating reaching goals. It is the emotional tendency guiding or facilitating the achievement of goals. It consists of achievement drive (meeting a standard of excellence), commitment, initiative and persistence.

Social Competence, on the other hand determines how we handle relationships. It consists of the following characteristics-

- Empathy- awareness of others feelings, needs, and concerns. It is the understanding of others by being aware of their needs, perspectives, feelings, concerns, sensing the developmental needs of others.
- Social skills- adeptness at including desirable responses in others by using influence, listening openly and communicating earnestly. Through this skill one acquires the ability to inspire and guide members (leadership), nurture instrumental relationships, co – operate with others towards a common goal and creates group synergy in pursuing super - ordinate goals.

Emotional Intelligence is a multi – disciplinary concept that draws concepts from numerous other branches of behavioural, emotional and communications theories, such as NLP (Neuro – Linguistic Programming), Transactional Analysis, and empathy. By developing our Emotional Intelligence in these areas one can become more productive and successful at our work and can also help others to be more productive and successful.

**“Table of Operational Definition”**

<b>Concept</b>	<b>Conceptual Definition</b>	<b>Operational Components</b>
Self – awareness	Knowing one’s internal states, preferences, resources, and intuitions	- Emotional Awareness - Self – assessment - Self - confidence
Self – regulation	Managing one’s internal states, impulses and resources.	- Self – control - Trustworthiness - Conscientiousness - Adaptability - Innovation
Self – motivation	Emotional tendencies that guide or facilitate reaching goals.	- Achievement drive - Commitment - Initiative - Optimism
Empathy	Awareness of others’ feelings, thinking, needs, aspirations and concerns	- Understanding others - Developing others - Service orientation - Leveraging diversity - Organizational awareness
Social skills	Adeptness at inducing desirable responses in others	- Influence - Communication - Conflict management - Leadership - Change catalyst - Building bonds - Collaboration and cooperation - Team capability
Leadership effectiveness	A successful attempt to use non – coercive types of influence to motivate individuals to accomplish the	- Drive - Leadership motivation - Integrity - Self – confidence

	stated goals	- Intelligence - Emotional Intelligence
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### **Emotional Intelligence and Decision – Making**

A rational decision – making model consists of the following six logical steps, which are outlined as – 1. Identify the problem. 2. Define alternative solutions. 3. Gather all pertinent and relevant information. 4. Weigh all the alternatives. 5. Implement the decision. 6. Feedback and Follow – ups. C.K.Prahlad (1997) criticizes the decision – making exercise taken by the leaders as in doing so they shut the doors for emotions and passion, in order to make it a purely analytical approach. An emotionally competent person is more aware of himself or herself and that of his or her self (Cooper & Sawaf, 1997; Goleman, 1998; Kemper, 1999). Leaders with a high EQ make better decisions, as they are better connected with themselves (self – awareness and self - management), the environment (social – relations / social - skills); and also because they act by comprehending the view point of others (ie empathy). Since such a person is better equipped to make good workable decisions, it is believed that leaders with high EQ will make better decisions as compared to a leader with low EQ.

### **Employee Intelligence and Social Relations:**

No one can thrive and work in isolation. An individual in his course of professional life forms a variety of relations in an organization. In our social spectrum at work, we interact with co – workers, supervisors, subordinates, suppliers, customers, clients, and other stakeholders. Coming across such relations is not significant as the management of them is. Our emotions help us in getting connected, whether personally or professionally, from the deepest level of our heart. Thus, an individual with high emotional intelligence is able to have more open and frank communication with others, and at the same time his empathetic attitude towards others help in leaving an ever – lasting impression. ‘Every one needs a patient ear,’ and this is where your emotional intelligence score comes at play. The extreme narrow deadlines, demanding performance standards, the need to prove your worth at every step in the organization; all this and much more has created paramount pressure and stress on the employee. He needs to cling to someone to understand him and his expectations from the organization. The leaders with a high EQ are able to sense the mind-set and thoughts of their team members and thus they are better relationship builders and managers. The high level of self – awareness associated with EQ enables leaders to display self – confidence and earn respect and trust from followers. Through self – regulation they can objectively consider the needs of others despite their own immediate feelings. Leaders who are able to maintain balance, keep themselves motivated, optimistic, and hopeful are positive role – models to help motivate and inspire others. The ability to empathize with others and to manage interpersonal relationships also contributes to motivate and inspire their subordinates. EQ enables leaders to acknowledge and respect followers with feelings, opinions, and ideas, to treat them as partners with unique set of needs, and abilities. Empathic leaders use their social skills to help followers to grow and develop, to enhance their self – images and senses of self – worth, and help their followers to meet their needs and achieve the organizational goals.

### **Emotional Intelligence and Workplace Stress**

Stress is a physical, mental, and emotional response to perceived threat. Stress can be healthy and valuable; it can focus people on critical needs and can motivate learning; short, intense stress is even healthy. On the other hand, stress can also deteriorate both physical and mental health (co contributing to disease, reducing physical resilience, increasing depression, reducing coping mechanism). What is the effect of stress in the workplace? And to what extent does emotional intelligence mediate the effects of stress? The present demanding jobs, results in a stressful work environment with many high-stakes challenges, a fast pace, and complex relationships. In the face of these pressures, professionals must carefully manage their reactions and interactions (within themselves, with each other, and with patients) to achieve optimal patient outcomes. It appears that emotional intelligence is one key contributor to this “dance” of managing such competing pressures. EQ helps improve performance by mitigating the negative effects of stress. The ability to manage feelings and handle stress is another aspect of emotional intelligence that has been found to be important for success. A study of store managers in a retail chain found that the ability to handle stress predicted net profits, sales per square foot, sales per employee, and per dollar of inventory investment (Lusch & Serpkenci, 1990).

### **The Assessment of Emotional Intelligence and Competence**

Considering that emotional intelligence is important, the question of assessment and measurement becomes particularly pressing. In a paper published in 1998, Davies, Stankov & Roberts (1998) concluded that there was nothing empirically new in the idea of emotional intelligence. This conclusion was based solely on a review of existing measures purporting to measure emotional intelligence at the point in time when they wrote that paper.

However, most of those measures were new, and there was not yet much known about their psychometric properties. Research now is emerging that suggests emotional intelligence, and particularly the new measures that have been developed to assess it, is in fact a distinct entity. There still is not much research on the predictive validity of such measures, and this is a serious lack. Let us briefly summarize what we really know about the most popular ones.

The oldest instrument is **Bar-On's EQ-I** (Bar-On, 1997), which has been around for over a decade. This self-report instrument originally evolved not out of an occupational context but rather a clinical one. It was designed to assess those personal qualities that enabled some people to possess better emotional well-being than others. The EQ-I has been used to assess thousands of individuals, and we know quite a bit about its reliability and its convergent and discriminate validity (Gowing, in press; Salovey et al., 1999). Less is known about its predictive validity in work situations. However, in one study the EQ-I was predictive of success for U.S. Air Force recruiters. In fact, by using the test to select recruiters, the Air Force saved nearly 3 million dollars annually (Bar-On, in press). Also, there were no significant differences based on ethnic or racial group.

A second instrument is the Multifactor Emotional Intelligence Scale (Mayer, Caruso, & Salovey, 1998a). The MEIS is a test of ability rather than a self-report measure. The test-taker performs a series of tasks that are designed to assess the person's ability to perceive, identify, understand, and work with emotion. There is some evidence of construct validity, convergent validity, and discriminate validity, but none for predictive validity (Gowing, in press).

A third instrument is the Emotional Competence Inventory. The ECI is a 360 degree instrument. People who know the individual rate him or her on 20 competencies that Goleman's research suggests are linked to emotional intelligence (Goleman, 1998). Although the ECI is in its early stages of development, about 40 percent of the items come from an older instrument, the Self-Assessment Questionnaire, developed by Boyatzis (1994). These earlier items had been validated against performance in hundreds of competency studies of managers, executives, and leaders in North America, Italy, and Brazil. However, there currently is no research supporting the predictive validity of the ECI.

### **Building EQ at Work**

The main focus of the paper is surface the copious paybacks of the element 'emotional intelligence'. Researches by Cooper & Sawaf, 1997, Higgs, 1997, Kay, 1993, Ulrich and Lake, 1990) has shown that EQ can be increased by imparting training to the individual, unlike IQ that becomes diminutive after achieving a specific age. EQ can be strengthened throughout adulthood – and thus, bringing immediate benefits to our life, health, relationships, and our work. EQ is not a personal trait. Rather, it is a skill that can be learned, with ample avenues for improving at each and every step of your learning process.

An example of this research on the limits of IQ as a predictor is the Sommerville study, a 40 year longitudinal investigation of 450 boys who grew up in Sommerville, Massachusetts. Two-thirds of the boys were from welfare families, and one-third had IQ.s below 90. However, IQ had little relation to how well they did at work or in the rest of their lives. What made the biggest difference was childhood abilities such as being able to handle frustration, control emotions, and get along with other people (Snarey & Vaillant, 1985).

As EQ grows, leaders move from the stature of 'institution imposed leader' to the stature of 'people accepted leader'. When this is accomplished, leaders gain in interpersonal skills and develop as insightful persons. This enables them to hire more productive employees, develop their skills and potential, build productivity, increase sales and earn high revenues. Thus, EQ is vital to four areas of business: recruitment and selection, building high – performance teams, career advancement and restructuring the climate of the organization as per the changing twists of the turbulent environment.

### **Conclusion:**

Question to ponder upon, "What's new about emotional intelligence?" One may feel, there is nothing new about emotional intelligence. It may be regarded as a multidisciplinary term that has bored its framework from research and theory conducted in the field of personality and social, as well as I/O, and Psychology. Furthermore, Goleman has never claimed that the abilities associated with emotional intelligence have been studied by psychologists for many years, and there is an impressive, and growing body of research suggesting that these abilities are important for success in many areas of life. Through the work and their corresponding findings of various eminent practitioners and scholars, it is suggested that EQ and its components are significantly correlated with leadership effectiveness. In "Executive EQ," Cooper and Sawaf (1997) also demonstrate the difference emotional intelligence can make in the success of a career or organization. A primary source of motivation,

information, feedback, personal power, innovation, and influence, EI helps in decision – making, leadership, strategic and technical breakthroughs, open frank communication, trusting relationships and teamwork, employees loyalty, and creativity and innovation. By helping the individual to acknowledge and understand the feelings of themselves and others, to appropriately respond to emotions, and to effectively apply them, EI contributes significantly to success in work and everyday life. We can conclude by quoting Anil Ambani, the business tycoon of Reliance Industries Ltd., “think you have to work with people, and when I talk about managing relationships, don’t think the derogatory “managed relationships”. It is a question of sharing emotion and feelings. The common denominator of everything can’t be money, and it should not be money.”

### **Suggestions:**

Rather than arguing about whether emotional intelligence is new or not, it is more important to consider the impact of emotional intelligence on effective work performance. There is considerable research suggesting that a person’s ability to perceive, identify and manage emotion provides the basis for the kinds of social and emotional competencies that are important for success in almost every sphere of life and in any kind of job profile. It is suggested that organizations seek out leaders with high EQ and seek ways to enhance the EQs of the existing leaders. As this component of leadership success can be worked upon, it is also suggested that firms develop programs that enhance the EI of their leaders. This will enable them to motivate themselves and their subordinates and to work in more creative, more fulfilled, and more enthusiastic ways. Furthermore, as the pace of change increases and the world of work make even greater demands on a person’s cognitive, emotional, and physical resources, this particular set of abilities will become increasingly important. The use of emotional intelligence will go a long way to improve both productivity and psychological well – being in the workplace of tomorrow.

### **Future Initiatives**

The present work gathers information and facts regarding the influence of EI on various dimensions, to point that high level of EQ among leaders will make them more capable and apt change handlers and managers. This view can be further strengthened by doing empirical work and hypotheses testing to verify them. It is also recommended that the relationship between EQ and leadership be studied across different industries and professionals to allow a comparative treatment of the relationship. Other factors that contribute to leadership effectiveness should also be examined with other possible correlates of EQ, such as job performance, productivity, organizational culture, team management, motivation and success. Research on the higher element of EQ, Spiritual Quotient (SQ) and its impact on leadership effectiveness can also be taken in future.

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