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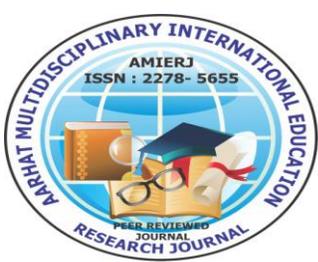
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EMOTIONAL INTELLIGENCE AND CORPORATE SECTOR

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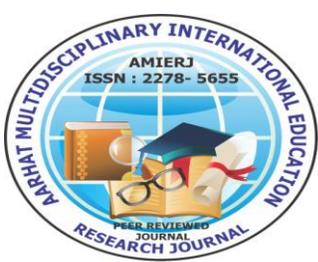
Abstract

Businesses have come a long way from being perceived as a mechanical setup, where a group of individuals used their knowledge about market conditions and finances to earn profits. Today, the role of an individual's emotional state on his professional success is being widely recognized. Studies have revealed that it is not just a high intelligence quotient that is required to be a successful businessman. Rather, individuals who have a high emotional intelligence are found to make better leaders and decision makers, and hence, the most successful professionals. Over the past two decades, the importance of emotional intelligence in the Indian corporate sector has been significant. It is observed that it is not the smartest people that are the most successful or the most fulfilled in life, there are probably people who are academically brilliant and are socially inept and unsuccessful at work or in their personal relationships. When we talk of corporate sector it's not that IQ and technical skills are irrelevant. They do matter, but mainly as "threshold capabilities"; that is, they are the entry-level requirements for executive positions. There is only one area which a business – or any organisation – needs to address if it wants to lift itself from averagely successful to excellent: emotional intelligence. Emotional intelligence at work is about how people and relationships function: Relationships between colleagues, between directors and staff, Relationships between the organization and its customers, stakeholders, suppliers, competitors, networking contacts, everyone. This paper on "EMOTIONAL INTELLIGENCE AND CORPORATE SECTOR" gives introduction of EI with special reference to corporate world, identifies the major aspects of EI, its importance for business leaders, characteristics of high EQ leaders, EQ competencies that relate to workplace success and finally how to improve EI.

KEYWORDS: *Intelligence quotient, corporate sector, people, leaders, relationship*

INTRODUCTION

For very long time intelligence quotient –IQ was taken as the sole determinant of success. It was only in late 1970's and early 1980's that the validity of IQ was questioned as the sole determinant of success. The term "Emotional Intelligence" –EI- was used by Peter Solovey of



Yale University and John Mayer of New Hampshire University for the first time to deserve a set of personal and social abilities of an individual. It was realized that there is a definitely much more success in a life than possessing a high IQ and this realization eventually brought to light the concept of EQ and not IQ. That is EI plus IQ will do wonders and was termed as EQ.

Emotional intelligence refers to a person's capacity to use emotion proactively, both his or her own emotions and those of others around them, and on both a conscious and sub-conscious level, as a tool to enhance reasoning and decision-making. Daniel Goleman, the "godfather" of emotional intelligence, has published extensively about the importance of non-technical skills in the workplace. He connects qualities of emotional intelligence directly to leadership and argues that success in leadership does not depend exclusively on the more traditional qualities of intellect and practical proficiencies. A person with high EI is aware of the fact that emotions affect every aspect of one's life, be it personal or professional. He is able to address every problem in a cool and logical way. Not only does he understand his own emotions, but he is also sensitive to others' feelings. Such people are sympathetic to those around them, and are able to inspire, and influence decisions and performance of those they work with. Hence, such an individual is an asset for a company.

OBJECTIVES OF THE STUDY

Emotional intelligence at work is about how people and relationships function: Relationships between colleagues, between directors and staff, Relationships between the organization and its customers, stakeholders, suppliers, competitors, networking contacts, everyone. Thus the main objectives of the study are delineated below as:

- Emotional intelligence with special reference to corporate world, identifies the major aspects of EI, its importance for business leaders and characteristics of high EQ leaders.
- EQ competencies that relate to workplace success and how to improve EI.

RESEARCH METHODOLOGY

This research is a descriptive study based on secondary data collected from various books, magazines, journals and various websites of internet.

EMOTIONAL INTELLIGENCE IN RELATION TO CORPORATE SECTOR

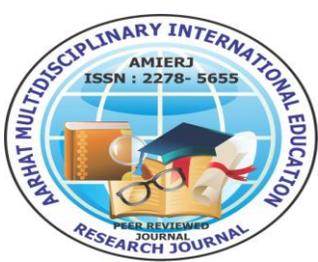
It is not the smartest people that are the most successful or the most fulfilled in life ,there are probably people who are academically brilliant and are socially inept and unsuccessful at work or in their personal relationships. When we talk of corporate sector it's not that IQ and technical skills are irrelevant. They do matter, but mainly as “threshold capabilities”; that is, they are the entry-level requirements for executive positions. But many researches and studies clearly shows that emotional intelligence is the “sine qua non” of leadership. Without it, a person can have the best training in the world, an incisive, analytical mind, and an endless supply of smart ideas, but he still won't make a great leader (Goleman 1998b, 1).

With the opening up of the economy through liberalization, privatization, globalization and natural thrust towards information technology the tasks of business executives has become more demanding. The challenges get multiplied when Indian executives have to work in diversified work cultures. The emotional intelligence intervention is partly a response to the problems that business executives face today. The companies need people who have both technical knowledge and social and emotional abilities which will enable them to delight the customers. Emotional intelligence can contribute to developing these skills and abilities that are linked with this aspiration.

ASPECTS OF EI

Goleman identifies five major aspects of emotional intelligence that can be very well related to success stories of people in corporate sector who possessed these: self-awareness, self-regulation, motivation, empathy, and social skill (Goleman 1998b).

- **SELF-AWARENESS:**Self-awareness is the capacity to identify one's own strengths and weakness, and to behave at the workplace in ways that capitalize on the former and minimize the latter. (Goleman 1998a, 80) characterize people who are self-aware. Part of self-worth is the willingness to listen to oneself before anybody else. Goleman suggests, “Our gut feelings — our deepest sense of what feels right and what is ‘off’ — provide critical information that we must not ignore” (Goleman 1998a, 50). The importance of instinct as the principal operating factor



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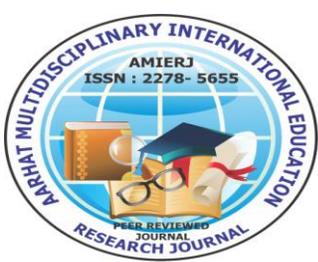
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in reaching conclusions has been echoed by other scholars, as well, such as Malcolm Gladwell, whose bestseller *Blink* reinforces this very theme (Gladwell 2005). Based on Goleman's and Gladwell's observations, self-awareness goes beyond an individual's conscious self-assessment and more deeply involves a person's innate capacity for decision-making, thus influencing every aspect of performance.

- **SELF-REGULATION:** Self-regulation is related to self-awareness, but describes more specifically the ability to control emotions, whether negative or positive, in order to maintain a demeanor best suited for professional practice and activity. Self-regulation matter much for leaders as people who are in control of their feelings and impulses that is, people who are reasonable are able to create an environment of trust and fairness. In such an environment, politics and infighting are sharply reduced. Talented people flock to the organization. Fewer bad moods at the top mean fewer throughout the organization (Goleman 1998b, 3)
- **MOTIVATION:** The principle of motivation represents the will to achieve — eagerness, drive, ambition — regardless of obstacles, and is another theme consistently reinforced by the profiled leaders. Two particular qualities of motivated leaders are that “they are forever raising the performance bar, and they like to keep score” (Goleman 1998b, 4). They are competitive — with themselves and with peers alike. They set goals and employ methods of measurement to quantify how well they have met those goals, if at all. It is not difficult to imagine how easily this trait, if unchecked or insufficiently balanced with other characteristics such as self-awareness and self-regulation, could undermine one's leadership profile. But Goleman contends that a potential leader will not materialize into an actual one without ample motivation: “If there is one trait that virtually all leaders have, it is motivation” (Goleman 1998b, 5). Leaders work their way into leadership roles through a relentless sense of pursuit, a need to constantly produce results. Problem-solving is a critical hallmark of motivation, and Goleman uses a term that I discuss in depth later in this article: optimism. The strongest leader sees opportunities where others may not and assumes that all issues are resolvable, and, importantly, is motivated to seize those opportunities and find the resolution.

- **EMPATHY:** Empathy is Goleman’s fourth pillar of emotional intelligence and is perhaps the most prone to misconstrual or dismissal from corporate sector diehards. But empathy has a clear and concrete professional purpose, and “doesn’t mean adopting other people’s emotions as one’s own and trying to please everybody” (Goleman 1998b, 5). It describes the leader’s intuitive understanding of staff’s non-technical needs and the ability to communicate that understanding effectively. Staff morale and job satisfaction have enormous impact on how others in the organization feel about their jobs and how the entirety of the organization performs. Demonstrating the value of empathy in an increasingly cross-cultural global market, Goleman observes, “Empathy is an antidote. People who have it are attuned to subtleties in body language; they can hear the message beneath the words being spoken. Beyond that, they have a deep understanding of the existence and importance of cultural and ethnic differences” (Goleman 1998b, 6). Empathy also enhances the leader’s ability to make staff feel respected so they can, in turn, respect one another, strengthening the constant efforts toward retention. This type of leader can thus develop strong teams who work together effectively to affirm one another and successfully carry out the mission of the organization (Goleman 1998b).
- **SOCIAL SKILL:** Social skill, the fifth component of emotional intelligence, is, like empathy, reflective of a leader’s interactions with the world, in contrast to the first three factors, which highlight more internal characteristics (Goleman 1998b). It is the ability to leverage relationships toward the ideas and ideals a leader wants to promote, through likeability, trust and respect. But just as the line blurs between self-awareness, self-regulation, motivation and empathy, social skill also represents shades of the other four. Without social skill, the other four components of emotional intelligence may fall flat.

These five major aspects of EI serve as an important guide to business leaders in dealing with human asset



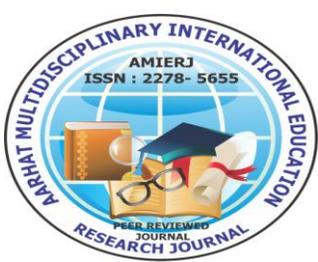
EI AND BUSINESS LEADERS

Research by Daniel Goleman shows that EQ levels determine up to 85% of leadership success. High EQ leaders :

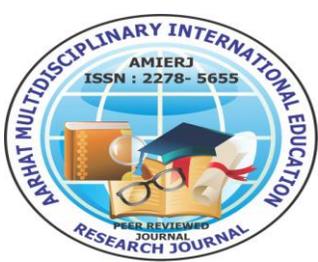
- cope successfully and proactively with life's demands and pressures.
- build and leverage rewarding relationships with others.
- are able to set and achieve personal and professional goals in a manner that is compatible with what is truly best for them and others.
- seek first to understand, then to be understood.
- act with great authority and are not afraid to make tough decisions.
- lead by example.
- are able to get the most out of others.

Thus Emotionally Intelligent Leaders are characterized by:

- **Social Competencies**—Competencies that Determine How We Handle Relationships Intuition & Empathy. Our awareness of others' feelings, needs, and concerns. This competency is important in the workplace for the following reasons.
- **Understanding others:** an intuitive sense of others' feelings and perspectives, and showing an active interest in their concerns and interests
- **Customer service orientation:** the ability to anticipate, recognize, and meet customers' needs.
- **People development:** ability to sense what others need in order to grow, develop, and master their strengths.
- **Leveraging diversity:** cultivating opportunities through diverse people Political Acumen & Social Skills. Our adeptness at inducing desirable responses in others. This competency is important in the workplace for the following reasons. Influencing: using effective tactics and techniques for persuasion and desired results.
- **Communication:** sending clear and convincing messages that are understood by others.
- **Leadership:** inspiring and guiding groups of people.
- **Change catalyst:** initiating and/or managing change in the workplace.



- **Conflict resolution:** negotiating and resolving disagreements with people.
- **Building bonds:** nurturing instrumental relationships for business success.
- **Collaboration and cooperation:** working with coworkers and business partners toward shared goals
- **Team capabilities:** creating group synergy in pursuing collective goals.
- **Personal Competencies:** Competencies that Determine How We Manage ourselves
- **Self-Awareness:** Knowing one's internal states, preferences, resources, and intuitions. This competency is important in the workplace for the following reasons.
- **Emotional awareness:** recognizing one's emotions and their effects and impact on those around us
- **Accurate self-assessment:** knowing one's strengths and limits.
- **Self-confidence:** sureness about one's self-worth and capabilities.
- **Self Regulation:** Managing one's internal states, impulses, and resources. This competency is important in the workplace for the following reasons.
- **Self-control:** managing disruptive emotions and impulses
- **Trustworthiness:** maintaining standards of honesty and integrity.
- **Conscientiousness:** taking responsibility and being accountable for personal performance.
- **Adaptability:** flexibility in handling change.
- **Innovation:** being comfortable with openness to novel ideas, approaches, and new information.
- **Self Expectations& Motivation.** Emotional tendencies that guide or facilitate reaching goals. This competency is important in the workplace for the following reasons.
- **Achievement drive:** striving to improve or meet a standard of excellence we impose on ourselves.
- **Commitment:** aligning with the goals of the group or organization.
- **Initiative:** readiness to act on opportunities without having to be told.
- **Optimism:** persistence in pursuing goals despite obstacles and setbacks



AN EMOTIONALLY INTELLIGENT LEADER IS FAR MORE ABLE AND SUCCESSFUL IN HANDLING VARIOUS ISSUES AS:

1. CONFLICTMANAGEMENT

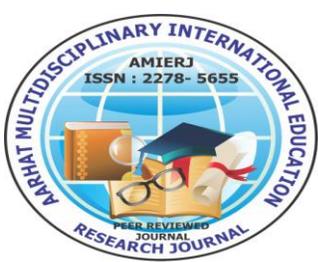
Running a business involves the efforts of a large number of people working together. Most of these people come from different social and economic backgrounds. Hence, each has a different way of approaching a problem at the workplace. This often creates conflicts, even among those individuals who are working in the same team. In such a scenario, if a person has high emotional intelligence, he will be in a better position to handle the conflicting views of his colleague. Since such people have control over their emotions, they are able to stay calm and think clearly. Due to their sympathetic demeanor, their detractors tend to become calmer and make efforts to find solutions to the problem in an amicable way. The net result is that not only does the conflict at hand get resolved peacefully, but due to improved relations between the employees, the probability of a future problem spiraling out of control also gets minimized.

2. DECISION-MAKING-ABILITIES

Businesses carry inherent risks, and all successful entrepreneurs will agree that it is only the ability to take the right decision during times of crisis that can save the day. A person with high emotional intelligence is more stable and can maintain a balanced disposition when under pressure. He is in a better position to listen and understand the opinions of different members of the team, and take the right decision. Such leaders also encourage team members to voice their views when it is needed.

3. IMPROVED MANAGERIAL SKILLS

Emotional intelligence is especially useful for managers, as they have to deal with a workforce that comes from varied backgrounds and beliefs. Managers, who possess high levels of this ability, know the importance of lending a patient ear to every individual in their team, and of treating them with respect. Such leaders are held in high regard by the employees, and hence,



are more successful in getting an output from them than those professionals who treat their staff in an authoritarian way.

It should be remembered that in the world of business, no one is entitled to become a leader by birth or by virtue of being in a position of power. The right to lead is bestowed upon by people who work with him, because of his empathetic attitude coupled with the ability to take right decisions. It has been observed that such individuals are usually the ones that get promoted to higher executive positions.

4. RETAINING THE WORKFORCE

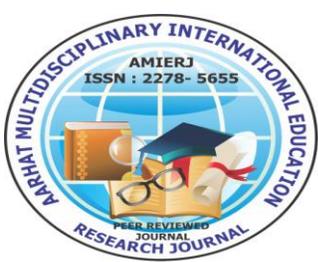
One of the keys to running a successful business is hiring and retaining a qualified and efficient workforce. With the baby-boom generation entering retirement age, labor shortage is going to become one of the pressing problems. Moreover, competition for hiring the best talent is becoming stiffer day by day. Qualified individuals have an array of jobs to choose from. In such scenario, only those companies and leaders that make their employees feel that they are valued, can attract efficient professionals and retain their existing workforce. What a high EQ leader looks like Psychologist David McClelland did some thorough leadership research that found that executives with higher EQ outperformed their annual revenue targets by 15-20%, and that 87% of the executives rated highly on EQ came in the top 33% of performance-related bonuses.

It is not that IQ and technical skills are irrelevant, but research clearly shows that a person can have the best training in the world, a sharp, analytical mind and an endless supply of smart ideas, but they still will not make a great leader without a high EQ.

WAYS TO IMPROVE EMOTIONAL INTELLIGENCE

While cognitive skills (IQ) can get you in the company, but it is your emotional skills that help you thrive in the job. So how we can improve our emotional intelligence?

1- **Self Awareness**- Learn to recognize your emotions, understand their origin and segregate them into strengths and weaknesses. This will be the first step towards understanding your



emotions. Your body language, facial expressions and other nonverbal signals gives important queues to understanding emotions. Self-awareness is the foundation to emotional intelligence.

2- **Self Management** – Here you need to balance your emotions. For example, if in some situations you get angry than make a conscious effort to control your anger or if there are situations where you need to be more assertive than pull yourself to make your point. An important part in controlling your emotions is being able to recognize stress triggers and bring yourself back to calm and relaxed state.

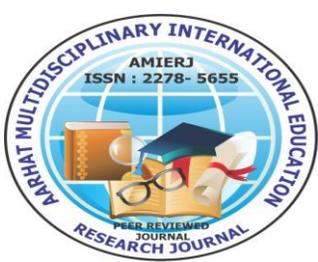
3- **Social Awareness**- It is about understanding other’s emotions, accordingly adapt and provide response. For example, if your boss is acting angry, it might be because he is dissatisfied with your work; or it could be because he had a fight with his wife. In both these cases your response would be different. Keeping awareness about your surroundings, reaction of people is critical to providing a rational response to the situation.

4- **Relationship Management**- Effective relationship management can largely define your success at work. So you need to give importance to [building](#) relationships, maintain existing relationships and manage conflicts effectively. Be open and agreeable to other’s suggestions, respect difference of opinions, accept your mistakes and show empathy to others. Successful relationship management is the key to building strong emotional intelligence.

To reflect the same on your Profile is an even more challenging [job](#), because it is always hard to express abstract qualities and hence qualitative information in minimal words. To do the same, one you’ve mastered the above 4 tips, you must get on to the task of doing a SWOT analysis on yourself, note down your strengths, weaknesses, opportunities & threats and then include strengths and opportunities in your profile! This way, you’d find yourself in a better position to have your EQ become complementary to your overall candidature and get you a step closer to your dream job!

"Unmet emotional needs cause the majority of problems at work."

To date, many companies have focused their selection criteria and training programs on hard skills (e.g., technical expertise, industry knowledge, education) and the assessment of personality traits. Topics including competencies like stress management, assertiveness skills, empathy, and political/social acumen were never measured in the selection process or focused on



in training and development programs. In reality, these are critical success factors that should not be dismissed, and have a direct impact on the bottom line.

CONCLUSION

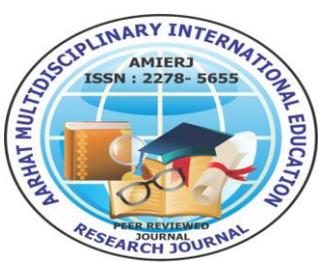
There is only one area which a business – or any organization – needs to address if it wants to lift itself from averagely successful to excellent: emotional intelligence. Business can't be carried out purely from boardrooms, or discussing excels sheets and presentations that project the annual growth of a company. It is important to understand that the minds that actually execute all the policies of a company, can work best only when they are completely satisfied with their jobs.

Hence, if a company wants to run successfully, it has to appreciate the role that emotional intelligence plays at the workplace. Emotional intelligence at work is about how people and relationships function. It is about leadership, teamwork, partnership and vision. Founded on excellent practice and understanding of communication, the emotionally intelligent business consistently excels in all these areas and has insight into how this happens. An organization which is emotionally intelligent has staff who are: motivated, productive, efficient, aligned with the business, and committed; effective, confident, likeable, happy, and rewarded. Emotional intelligence is applicable to every human interaction in business: from staff motivation to customer service, from brainstorming to company presentations. But the subject is far deeper and wider than these examples, and emotional intelligence must be able to understand and deal with:

- how we assess people
- how relationships develop
- how our beliefs generate our experience

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