

EMOTIONAL INTELLIGENCE AND LEADERSHIP

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Abstract:

Emotional intelligence is a relatively new topic in the field of leadership concerns. Developed by psychologists in the 80s, it was later connected with management and leadership disciplines when research revealed how much influences the act of leadership and decision the possession or lack of emotional skills. Our article aims to reveal the overwhelming economic potential of these human qualities unjustly ignored, while providing a synopsis of emotional competencies whose presence in the leadership is one of the most important resources of a company.

Key words: *emotional intelligence, leadership, emotional competencies, economic potential, managerial skills.*

JEL classification: M12

The concept of leadership is one of the most circulated today in the disciplines of organizing economic activities. Despite its popularity, it remains an open concept, defined in multiple ways, depending on interests and experience of each author. Generally, it involves power, the power (and ability) to lead and exert one's influence on a group and "seems to be, like power, an essentially contested concept"¹.

The prevalence of this concept in current professional literature, alongside with the concept of management and, sometimes, in spite of it, proves some changes in how the act of leadership in the current world economic organizations is perceived. Thus, because of new challenges to the companies, challenges related mainly to mutations occurring in the economy (globalization, fierce competition, innovation pressure, demanding creativity, accelerated technological development), requirements concerning the organization and management of companies have also suffered mutations and major changes. In a changing economic environment in flux, leaders must move quickly to ensure enterprise's position and stability and to maximize accomplishments.

In this context, in which human resource is the main factor of development, the influence of the leader on the employees has a crucial significance. The manager must become a leader, be able to influence and mobilize people to achieve objectives, of that depending, after all, the proper functioning of the company and life of all. The leader must have a vision to inspire people and a vision is not just a cold business plan or development project. As the leader works primarily with people and not with paper or computer, it is vital to exercise a benign influence on employees' behavior.

What is emotional intelligence?

The idea of existence of an emotional skill as a factor to adjust to the social environment and to ensure the survival of the individual can be identified in Darwin. In the work *The Expression of the Emotions in Man and Animals* he talks about the emotional system as necessary for survival in that it works as a signaling system within and between species. About paternity or the first using of the term "emotional

¹ Gallie, W.B. (1955), "Essentially contested concepts", *Proceedings of the Aristotelian Society*, Vol. 56, p. 167-198.

intelligence" there is no full consensus. It is generally considered that it was used for the first time in the title of a PhD thesis in 1985 belonging to Wayne Payne, *A Study of Emotion: Developing Emotional Intelligence*. The most important models of emotional intelligence were developed by Stanley Greenspan in 1989, Peter Salovey and John D. Mayer to Daniel Goleman in 1990 and 1995.

There are several possible definitions of emotional intelligence. As it was well stated, about emotional intelligence was told about two times more than about classical intelligence. Actually, every author who proposed a model of emotional intelligence has provided, along with it, his own definition. Generally, it is believed that the concept of emotional intelligence defines the ability to identify, assess and manage both one's own emotions, and emotions of others, in order to successfully achieve both one's goals, and of the group. As Glossop and Mitchell say, "Emotional intelligence involves the ability to perceive accurately, appraise, and express emotion; the ability to access and/or generate feelings when they facilitate thought; the ability to understand emotion and emotional knowledge; and the ability to regulate emotions to promote emotional and intellectual growth"².

Other authors place the emphasis, in defining the concept, on the idea of reason, the reasoning on the emotions of self and others and define emotional intelligence as a new type of intelligence. Thus, John D. Mayer, Peter Salovey and David R. Caruso consider emotional intelligence as "The capacity to reason about emotions, and of emotions to enhance thinking. It includes the abilities to accurately 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"³. Emotions are thus useful sources of information that help people understand the social environment and to manage successfully in it. The authors argue that people differ in their capacity to process emotional information. This theoretical perspective combines intelligence with emotions putting emotional intelligence among other types of intelligence, as practical intelligence, social intelligence and personal intelligence.

The aspect which is most often referred to, is that, wrongly, so far is considered that the classical intelligence, the so-called IQ, is the only responsible for personal success. The ability to do abstract thinking, to learn and adapt to the environment (as is synthetically defined the IQ) does not explain, or rather explains surprisingly little, the results of an individual, the success or failure of his decisions. Some authors⁴ argue that IQ does not give account for 75% of professional success. When test scores are correlated with individual performances during their careers, the maximum weight of IQ show about 25%. Goleman's conclusion drawn is that IQ can not appreciate who succeeds and who fails. Studies made on graduates in law, economics, medicine and pedagogy at Harvard revealed that scores on entrance examinations (surrogate for IQ) had a null correlation with their career success.

At this point appears emotional intelligence. Overcoming emotions, compulsions, ability to empathize, social flexibility, adaptability to change, are all skills or capacities that not only are advantageous for the individual, but are vital for those who hold leading positions within the companies. To control your emotions, to not let them interfere with your work, to not disturb your mind, to not block the emotional, are

² Glossop, R. & Mitchell, A. (2005), *Heart Smarts*, The Vanier Institute of the Family, Ottawa, Ontario, p. 10.

³ Mayer, J. D., Salovey, P., Caruso, D. R. (2004), "Emotional Intelligence: Theory, Findings, and Implications", *Psychological Inquiry*, vol. 15, No. 3, p.197.

⁴ Goleman, D. (2004), *Inteligenta emotionala, cheia succesului in viata*, Editura Allfa, Bucuresti, p. 19.

must have qualities for managers and leaders. Cultivating this type of intelligence becomes a fundamental premise for any management qualification. Therefore, it must necessarily constitute a landmark in the process of selecting the staff, entering into the employees' performance testing.

Good news that researchers of this area give us is that the level of emotional intelligence is not genetically determined: "Emotional intelligence is learned. Unlike IQ, which is essentially fixed within narrow parameters at birth, EQ can be developed and enhanced. In other words, temperament is not destiny. Empathy and the capacity to understand the emotions of others can be nurtured"⁵. Emotional competencies are not innate talents but rather learned capabilities that can be developed to achieve optimum performance. As Goleman says, people have only an innate general emotional intelligence that determines the potential to learn emotional competences.

Emotional intelligence in leadership

The discoveries made in recent decades of studies on this new perspective of investigating human personality were immediately connected to the concept of economic efficiency of the person. Of course, emotions characterize the whole life of a person, but if their weight is as big as studies reveal, that means a new chapter must be added to the area of management and business leadership. Since the leader's emotional competencies have an overwhelming influence on the climate of the company, on the motivation of employees, customer relationships, and these skills can be improved, it can be concluded that the development of models of emotional intelligence, the detailing of emotional competencies, of how they can be self-induced and shaped and the preparation of assessment tests of these competencies is an important issue for the whole area of leadership.

This all the more as it was found that the importance of emotional intelligence increases with ascending the hierarchy. Emotional skills proved crucial for those who occupy positions of responsibility because it is their task to get the maximum benefits from the employees. Thus, as pointed by Goleman, the higher hierarchical stage is, the less important the classical technical or cognitive competencies are, and emotional intelligence deal more weight: "In less complex functions, there is a more or less direct connection between intelligence and the performance of a person, in the sense that an official or a smarter worker will work better than other less endowed. But in higher-level functions - those of top level management or the engineers and scientists, for example, - IQ and specialization may not prognostic outstanding achievement, but are rather barriers "⁶. The strength of the emotional qualities of the leader, the ability to communicate and to establish interpersonal relationships, the ability to create a friendly, motivating environment, are traits that distinguish leaders with outstanding economic performance (so-called "star-leaders") from leaders with mediocre results.

An example is shown by Goleman about a head hunter responsible for South America region at Egon Zehnder International in Buenos Aires. He compared 277 outstanding managers with 26 who proved inefficient at their job concluding that service managers who failed were good specialists, with a high IQ. The significant fact was that they had major deficiencies in emotional intelligence: arrogance, over-appreciation, the inability to adapt to the changing economic environment, contempt for collaborators and team work.

Emotional intelligence can become a multiplier factor of the revenue of a company with millions of dollars. But, as the emotional qualities create a precise value

⁵ Glossop, R. & Mitchell, A. (2005), *Heart Smarts*, The Vanier Institute of the Family, Ottawa, Ontario, p. 11.

⁶ Goleman, D. (2004), *Ibidem*, p. 36.

added, their deficit has a high price. According to the analysis, a company's climate, how people feel, is responsible for 20% -30% of the business performances of the company concerned. And the climate is determined at a rate of 50% -70% by one person: the leader is the one who creates the conditions that lead directly to people's ability to work with gain⁷.

Emotional competencies

There are many proposals for models of emotional intelligence. Whether they are called "competencies" (D. Goleman, A. McKee and R Boyatzis), "skills" (P. Salovey and J. D. Mayer) or "features" (K. V. Petrides), they represent a way of structuring elements which establish and define emotional intelligence. The differences between these models are not significant and depend on the terminology used and the ordering preferences of components of the emotional intelligence, as they presented by different authors. Generally they can be structured in personal and social competences or skills. For illustration, we will use Goleman's, Boyatzis' and McKee's table⁸, where emotional skills are structured around four dimensions: self-knowledge, self-control, social awareness and relationship-management:

EMOTIONAL INTELLIGENCE AREAS AND ADJACENT SKILLS

Personal Competencies

Skills that relate to the manner in which we manage ourselves

SELF AWARENESS

- *Emotional self-knowledge*: understanding our own emotions and recognizing their impact; using "intuition" for decision making.
- *Correct self-assessment*: being aware of our assets and limitations.
- *Self-confidence*: correct assessment of our value and capabilities.

SELF MANAGEMENT

- *Emotional self-control*: controlling emotions and impetuous impulses.
- *Transparency*: taking an honest and upright conduct; to show one's trustworthiness.
- *Adaptability*: flexibility to adapt to changing circumstances or ability to overcome obstacles.
- *Ambition*: the desire to improve performance to meet our own standards of excellence.
- *Initiative*: readiness to act and take advantage of opportunities.
- *Optimism*: seeing the bright side of things.

⁷ Goleman, D., McKee, A., Boyatzis, R. (2007), *Inteligența emoțională în leadership*, Editura Curtea Veche, București, p. 34.

⁸ Goleman, D., McKee, A., Boyatzis, R. (2007), *Ibidem*, p. 62-63.

Social Competencies
Skills that relate to the manner in which we manage relationships

SOCIAL AWARENESS

- *Empathy*: perception of others' emotions, understanding their perspective and active concern shown towards their interests.
- *Organizational consciousness*: interpreting trends, executive decisions and policies at an organizational level.
- *Solicitude*: observing and meeting the wishes of subordinates, customers or buyers.

RELATIONSHIP MANAGEMENT

- *Inspired leadership*: guidance and motivation through a convincing vision.
- *Influence*: using persuasion tactics.
- *Training others*: stimulating abilities of others through feedback and guidance.
- *Catalyze change*: initiating relational management and mobilizing others in a new direction.
- *Conflict management*: resolving disagreements.
- *Team spirit and collaboration*: cooperation and strengthen of the team.

In practice, has been observed that none of the leaders analyzed had outstanding competencies in all skills of emotional intelligence. Even exceptional leaders excel in a limited number of skills, which evidenced that there is no unique recipe for successful management and prestigious different leaders may have different leadership styles. These leaders, whose increases in sales and revenues class them among the first, had four relevant emotional strengths, instead they did not excel in any cognitive competence.

Numerous research which correlate emotional qualities with leaders' success in business have acknowledged their importance and magnitude. For example, a study made by the company Hay/McBer⁹ found in a U.S. insurance company, the agents that were deficient in terms of emotional intelligence, lacking confidence, optimism, initiative and empathy sold policies of an average of 54.000 dollars. Those who own at least 5 of the 8 skills (according to the structure used) sold policies worth 114.000 dollars.

At L'Oreal, sales agents selected on the basis of certain emotional competences exceeded by far the sales of selected employees based on classical criteria. The average increase was 91.370 dollars more than other sales agents, leading to an enlargement of the company's revenue with \$ 2,558,360¹⁰.

Coca-Cola saw division leaders who developed emotional intelligence competencies outperform their targets by more than 15%. Division leaders who didn't develop their emotional intelligence missed targets by the same margin¹¹.

Hallmark Communities sales staff who developed emotional intelligence were 25% more productive than their low emotional intelligence counterparts and emotional intelligence was more important to executive job performance than character, strategic

⁹ Hay/McBer Research and Innovation Group, 1997, cf. <http://www.ihhp.com/business_case.htm>.

¹⁰ Spencer, L. M. J., McClelland, D. C. & Kelner, S. (1997), *Ibidem*.

¹¹ McClelland, D. C. (1999), cf. <https://www.talentsmart.com/media/uploads/pdfs/The_Business_Case_For_EQ.pdf>.

thinking, and focus on results. TalentSmart's EQ Learning™ program raised individual and team emotional intelligence for the low and high emotional intelligence groups to improve group cohesion and job performance¹² (Bradberry, 2003).

Leaders who develop skills in the sphere of emotional intelligence have succeeded in their work to put into practice a management based on resonance. This concept, preferred by the authors in the field of emotional intelligence, stands for the ability to get in tune with the feelings of others, finding the same emotional wavelength, the emotional synchronization. Only through a resonant leadership can be created a fertile climate of understanding and cooperation, the company can maintain unity even in conditions of crisis.

Conclusions

One of the most costly errors made today at a leadership level is minimizing or even ignoring the economic potential of emotional intelligence. In too many cases, managers are unable to realize their own emotions and weaknesses, to master the destructive impulses, to empathize with employees and customers or to create group synergies. As a result, businesses are suffering, the climate is pressing, the employees are unmotivated and customers unsatisfied.

Lack of emotional qualities at the top level management causes considerable losses both to private companies and state institutions. Often these losses are overlooked or are mistakenly placed on other, short term, more visible factors. Therefore, we need an awareness of the importance of the emotional component of leadership which lead to greater levels of emotional intelligence in the management sector, where strategic decisions are taken. This can be achieved by including emotional intelligence training in the mandatory curriculum of management students, by promoting coaching seminars for the leading staff of the companies and by implementing a selection of managers based on emotional intelligence criteria.

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¹² Bradberry, T. (2003), *Ibidem*.