

# Proffittable Times NEWSLETTER

turning potential into performance

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Newsletter

## Leadership's Link to Emotional Intelligence

More than anyone else, the boss creates the conditions that directly determine people's ability to work well. ~ Daniel Goleman, Primal Leadership

Ever wonder why some of the most brilliant, well-educated people aren't promoted, while those with fewer obvious skills climb the professional ladder?

Chalk it up to emotional intelligence (EI).

When the concept first emerged in 1995, EI helped explain why people with average IQs outperform those with the highest IQs more than two-thirds of the time.

In the United States, experts had assumed that high IQ was key to high performance. Decades of research now point to EI as the critical factor that separates star performers from the rest of the pack.

People have been talking about EI (also called EQ) ever since psychologist Daniel Goleman published the New York Times bestseller Emotional Intelligence in 1995. Everyone agrees that emotional savvy is vital, but we've generally been unable to harness its power. Many of us lack a full understanding of our emotions, let alone others'. We fail to appreciate how feelings fundamentally influence our everyday lives and careers.

Research by the TalentSmart consulting firm indicates that only 36% of people tested can accurately identify their emotions as they happen. Two-thirds of people are typically controlled by their emotions but remain unskilled at using them beneficially.

#### The Emotional Brain

The brain's wiring makes us emotional creatures. Our first reaction to any event is always emotional. We have no control over this

## A Message from Nancy...

have a couple of questions to ask you:

- 1. Is your business as successful as you think it should be?
- 2. Are you and your team able to pinpoint the solutions necessary to create positive changes to get where you need to go?



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Proffitt Management Solutions 326 Maddock St. West Palm Beach, Fl www.ProffittManagement.com 561-582-6060 info@proffittmanagement.com part of the process. We can, however, control the Emotional intelligence is a flexible set of skills thoughts that follow an emotion, how we react, and what we say and do.

Your reactions are shaped by your personal history, which includes your experiences in similar situations and your personality style. When you develop your emotional intelligence, you'll learn to spot emotional triggers and practice productive responses.

## **Defining Emotional Intelligence**

I is your ability to recognize and understand emotions Lin yourself and others, and your ability to use this awareness to manage your behavior and relationships. It affects how you manage behavior, navigate social complexities and make personal decisions that achieve positive results.

two primary competencies: personal and social.

Emotional Intelligence	What I See	What I Do
Personal Competence	Self-awareness	Self- management
Social Competence	Social Awareness	Relationship Management

Personal competence includes self-awareness and selfmanagement skills that focus on your interactions with other people.

- Self-Awareness is your ability to perceive your emotions accurately and be aware of them as they
- Self-Management is your ability to use awareness of your emotions to be flexible and positively direct your behavior.

**Social competence** is your ability to understand other people's moods, behavior and motives to improve the quality of your relationships.

- Social Awareness is your ability to accurately pick up on other people's emotions and understand what's really going on.
- Relationship Management is your ability to use awareness of your and others' emotions to manage interactions successfully.

## EI, IQ and Personality Are Different

Emotional intelligence taps into a fundamental element of human behavior that is distinct from your intellect. There is no connection between IQ and emotional intelligence. Intelligence is your ability to learn, as well as retrieve and apply knowledge.

that can be acquired and improved with practice. While some people are naturally more emotionally intelligent than others, you can develop high emotional intelligence even if you aren't born with

Personality is the stable "style" that defines each of us. It's the result of hard-wired preferences, such as the inclination toward introversion or extroversion. IQ, emotional intelligence and personality each cover unique ground and help explain what makes

#### El and Performance

hen we feel good, we work better. Feeling good lubricates mental efficiency, facilitating El is composed of four core skills that are paired under comprehension and complex decision-making. Upbeat moods help us feel more optimistic about our ability to achieve a goal, enhance creativity and predispose us to being more helpful.

> How does emotional intelligence contribute to our professional success?

> The higher you climb the corporate ladder and the more people you supervise, the more your EI skills come into play.

> TalentSmart tested EI alongside 33 other important workplace skills and found it to be the strongest predictor of performance, responsible for 58% of success across all job types.

> Likewise, more than 90% of top performers in leadership positions possessed a high degree of EI. On the flip side, just 20% of poor performers demonstrated high EI.

> Your emotional intelligence is the foundation for a host of critical skills, and it impacts most everything you say and do each day. It strongly drives leadership and personal excellence.

#### El and Income

You can be a top performer without emotional intelligence, but it's rare. People with a high degree of EI make more money - an average of \$29,000 more per year than those with low EI.

The link between emotional intelligence and earnings is so well founded that every point increase in EI adds \$1,300 to one's annual salary. These findings hold true for people in all industries, at all levels, in every region of the world.

## El and Leadership

As a leader, you set the emotional tone that others follow. Our brains are hardwired to cue in (both consciously and unconsciously) to others' emotional states. This is particularly true for leaders. People want to know how a leader feels and will synchronize with authorities they trust.

The emotional tone that permeates your organization starts with you as a leader, and it depends entirely on your EI. When employees feel upbeat, they'll go the extra mile to please customers. There's a predictable business result: For every 1% improvement in the service climate, there's a 2% increase in revenue.

The table that follows, provided by TalentSmart's Dr. Travis Bradbury, contrasts the behaviors of high-El vs. low-El leaders:

Leaders with Low El	Leaders with High El
Sound off even when it won't help	Only speak out when doing so helps the situation
Brush off people when bothered	Keep lines of communication open, even when frustrated
Deny that emotions impact their thinking	Recognize when other people are affecting their emotional state
Get defensive when challenged	Are open to feedback
Focus only on tasks and ignore the person	Show others they care about them
Are oblivious to unspoken tension	Accurately pick up on the room's mood

### **CEOs Score Low El**

Measures of EI in half a million senior executives, managers and employees across industries, on six continents, reveal some interesting data. Scores climb with titles, from the bottom of the ladder upward toward middle management, where EI peaks. Mid-managers have the highest EI scores in the workforce. After that, EI scores plummet.

Because leaders achieve organizational goals through others, you may assume they have the best people skills. Wrong! CEOs, on average, have the lowest workplace EI scores.

Too many leaders are promoted for their technical knowledge, discrete achievements and seniority, rather than for their skills in managing and influencing others. Once they reach the top, they actually spend less time interacting with staff.

But achieving goals — and high performance — is only part of the formula for leadership success. Great leaders excel at relationship management, influencing people because they're skilled in forming alliances and persuading others.

El has a direct bearing on corporate reputation. Boards of directors recognize how it affects stock prices, media coverage, public opinion and a leader's viability. Look at any corporate disaster or scandal. If leaders cannot genuinely express empathy, it's that much harder for them to garner trust and support.

A 2001 study by Dr. Fabio Sala (www.eiconsortium. org) demonstrates that senior-level employees are more likely to have inflated views of their El competencies and less congruence with others' perceptions.

Sala proposes two explanations for these findings:

- 1. It's lonely at the top. Senior executives have fewer opportunities for feedback.
- 2. People are less inclined to give constructive feedback to more senior colleagues.

Nonetheless, EI's effect on business performance and senior employees' grandiosity highlight the need for well-executed performance management systems that measure emotional competencies.

#### **Ethical Failures**

The news media have highlighted numerous cases involving failed CEOs derailed by their low EI. Press coverage has prompted boards to become more sensitive to this leadership trait.

You're prone to ethical failures if you overestimate your intelligence and believe you'll never get caught. Arrogance distorts your capacity to read situations accurately.

In a recent *Wall Street Journal* article, neurosciences journalist Jonah Lehrer discusses the contradiction of power — essentially, how nice people can change when they assume positions of authority.

"People in power tend to reliably overestimate their moral virtue, which leads them to stifle oversight," he writes. "They lobby against regulators, and fill corporate boards with their friends. The end result is sometimes power at its most dangerous."

## How to Develop El

Research by Goleman and other experts supports the view that EI can be learned, and it seems to rise with age and maturity.

In 2005, TalentSmart measured the EI of 3,000 top executives in China. The Chinese leaders scored, on average, 15 points higher than American executives in self-management and relationship management. To compete globally, the United States must pay attention to emotional competencies.

Developing your EI skills is not something you learn in school or by reading a book. It takes training, practice and reinforcement. The first step is measurement, through behavioral-based interviews and 360-degree feedback.

Executives with little experience in receiving feedback can find this approach somewhat threatening. Try to conquer your fears, as the process brings needed attention to gaps and development opportunities. It may be best to work with an executive coach.

Remember: Your emotional state and actions affect how others feel and perform. This trickle-down effect contributes to — or sabotages — your organization's well-being.



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