



A Business Case for Emotional Intelligence

Emotional intelligence, EI or EQ, is the single biggest predictor of performance in the workplace and the strongest driver of leadership and personal excellence. Emotional intelligence is the foundation for a host of critical skills—decision making, communication, stress tolerance, teamwork, trust, flexibility. Because emotional intelligence impacts most everything you say and do each day, it's not surprising that organizations with a high EQ workforce are more profitable and able to compete successfully in today's complex and ambiguous world.

Emotional Intelligence is defined as the **ability to understand and manage your own emotions, and those of the people around you.** Research continues to build a case for how emotional intelligence contributes to the bottom line in all types of organizations across the globe. Consider the research¹ findings below:

The Center for Creative Leadership research indicates that **nearly half of all executives fail within 2 years** because they lack emotional intelligence skills, not technical competence or cognitive ability. They lack sensitivity, are unable to handle conflict constructively and have poor emotional awareness of others and possess inadequate interpersonal skills.

After supervisors in a manufacturing plant received training in emotional competencies such as how to listen better and help employees resolve problems on their own, **lost-time accidents were reduced by 50 percent**, formal grievances were reduced from an average of 15 per year to 3 per year, and the **plant exceeded productivity goals by \$250,000.** There was no such increase in production for a group of supervisors who were not trained.

The US Air Force used EQ to select recruiters (the front-line HR personnel) and found that the most successful recruiters scored significantly higher in the EQ competencies of Assertiveness, Empathy, Happiness and Emotional Self Awareness. The Air Force also found that by using emotional intelligence to select recruiters, they increased their ability to predict successful recruiters by nearly three-fold. The immediate gain was a **savings of \$3 million annually.**

Experienced partners in a multinational consulting firm were assessed on the EI competencies. Partners who scored above the median on 9 or more of 20 competencies delivered \$1.2 million more profit from their accounts than did other partners – **a 139 percent incremental gain.**

At a national furniture retailer, sales people hired based on emotional competence had **half the dropout rate** during their first year, increasing employee retention and reducing the cost of hiring.

While cognitive intelligence is fixed from age 15 to 50, **emotional intelligence can be acquired and improved with practice.** Learn how Emotional Intelligence training and coaching can help you, your team or organization. **Contact Annetta Johnson at Annetta@aleadersedge.com.**

¹Pesuric & Byham, 1996; Porras & Anderson, 1981; GOA report, 1998; Boyatzis, 1999; Hay/McBer Research and Innovation Group, 1997