

PART ONE
PUTTING EMOTIONAL INTELLIGENCE IN
PERSPECTIVE

1

What is EI and why it matters particularly in Asia



Many studies brought massive evidence that EI is crucial in leadership. It is even more crucial in Asia where emotions tend to be more hidden below the surface of daily business interactions. Emotions are precious assets for a leader when wisely used, and become a source of disruptions if ignored.



1/ What is Emotional Intelligence?

Emotional Intelligence is mainly the ability to identify and use emotions resourcefully within ourselves as well as in others. Emotions are like the weather: they are always around, and they always change. It requires some particular skills to handle them.

The concept of Emotional Intelligence was first developed in the 80's by a group of academics. They were investigating this subject because they were curious with the results brought by Intelligence Quotient (IQ) tests.

IQ tests were first developed in the first part of the 20th century to meet the needs of mass recruitment of major organizations: to have an initial idea of the intelligence level of candidates through standardized tests in order to save time and resources in recruitment.

Over time, there was more and more evidence that IQ tests were not really fulfilling the expectations that their developers and users had placed on them. What puzzled researchers is that some people with high IQ were failing, and some lower-IQ people were highly successful. At some point, it became clear that other factors were missing.¹

¹ A fascinating account on this topic is to be found in "Outliers – The story of success", by Malcom Gladwell (Chapter 3). It mentions in great details a major study launched in the 1920's by a Stanford University professor and conducted over several decades. The purpose of this study, called "Genetic studies of genius", was to follow the career and achievements in life of a group of high-IQ kids. The conclusion

The work done by Daniel Goleman, with his book “Emotional Intelligence” (1995) popularized the idea that the main missing factor was Emotional Intelligence.²

Since then, most researchers in the field would operate from the view that logical intelligence (IQ) and technical skills are prerequisites to be successful in a position (meaning that there is no way to achieve success without them), but that it is Emotional Intelligence that really makes a difference. In others words, logical intelligence and technical skills are seen as mere “threshold competencies”.

The impetus given by this initial work has translated into very active research, still going on today. There are regular conferences in the world mixing academics and consultants specializing in measuring, assessing, and developing Emotional Intelligence both in the business and the educational worlds.

To have an idea of how active the field is, you can visit the site of the EI Consortium, an organization initiated by a group of academics specializing in Emotional Intelligence (<http://www.eiconsortium.org>). You will also find lots of useful information, especially parts like “The business case for EI” and “Guidelines for best practices”.

2/ Why does Emotional Intelligence matter for leaders?

What truly matters for you as a leader?

When speaking of Emotional Intelligence in business, most people would immediately raise one question: does EI contribute to business performance? This is a very legitimate question that has been researched extensively. The results of this research will be presented below.

At the same time, this question implies that business performance is what matters mostly to a leader. While business performance is certainly essential, most of my clients consider some other dimension as equally important as delivering results. Examples of these are feeling good about yourself, growing as a person, enjoying your work, and building healthy relationships with your peers and team members. So EI matters for many other reasons than just business performance.

But let’s have here a closer look at EI and business performance.

was very clear, and somehow disappointing for its promoter, who wrote eventually: “We have seen that intellect and achievement are far from perfectly correlated”.

² It is not the purpose of this book to go into academic debates, however interesting they may be. But the fact is that Goleman was and still is heavily criticized in the academic community. For more information about why he is being criticized, please check <http://eqi.org/gole.htm>, for instance.

How does Emotional Intelligence (EI) relate to a manager's performance, to staff motivation, and to staff retention? Is there some evidence that EI-based programs can be used successfully to help organizations reach higher levels of performance?

Emotional Intelligence is a relatively new concept, but it refers to skills that are not new. The role of emotions in human behavior has been studied for a long time. But in the past 10 years, two important things have happened:

First, Emotional Intelligence skills have been investigated in a very systematic way, to a degree of detail that was hard to find in the past two centuries, at least in the West.

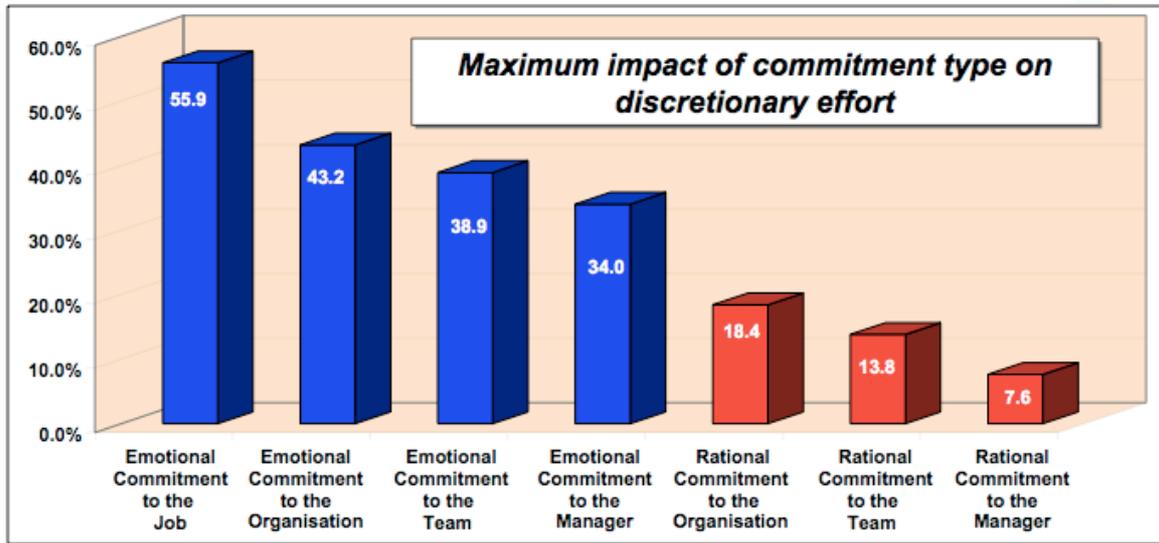
Second, more and more research is being done on how EI-based programs can be applied to benefit business and improve performance, motivation, and staff retention. Some research has been conducted with major companies such as Johnson & Johnson, L'Oreal, American Express, and AT&T, among others.

What have been the main findings of this research? Clearly, there is ever stronger evidence that EI plays a significant role in business performance. Measuring the exact extent of this role is particularly tricky, but, to most individual leaders I have worked with, this is a strong enough call for action to develop themselves further.

Let's consider for instance a comprehensive survey on engagement conducted in 2004 by the Corporate Leadership Council (CLC). According to this survey, engagement, which translates into what the CLC calls "discretionary effort", accounts for roughly 40% of observed performance improvements.

So if engagement is so important, what determines engagement? The CLC compared emotional commitment to rational commitment. And there was a clear conclusion that emotional commitment was much more crucial than rational commitment, as indicated in the chart below.

Paying attention to our own emotional state and that of others will have a positive impact on the emotional commitment of the people we work with and as a result on their performance.



Source: CLC 2004 Employee Engagement Survey

For more details on research on EI and performance, please refer to the box next page. For even more details, you can read “Emotional Intelligence and Business Performance” (mentioned in the box below).



EI AND BUSINESS PERFORMANCE: RESULTS FROM ACADEMIC RESEARCH

Note: It is important to remain aware that none of these findings should be taken as solid evidence. They should be seen as indicators all pointing in the same direction: EI has a significant role to play in business performance. Some authors in the EI field would boldly assert that EI accounts for 30% (or more) of overall performance but it is hard to find evidence for such accurate figures.

a/ Top performers in management positions have a significantly higher EI than average performers.

For instance, a research by Egon Zehnder International, one of the leading international Executive Search companies, covering 515 executives in Latin America, Germany and Japan showed that those who were primarily strong in Emotional Intelligence were more likely to succeed. Specifically, the executive was high in EI on 74 percent of the successes and in only 24 percent of the failures. Also, a research by the Center for Creative

Leadership showed that a deficit in emotional competence is a major cause of executive derailment.

There are now many studies that point to the same conclusion for all kinds of positions, ranging from executives to sales people.

b/ Effective leaders have a relatively higher EI.

A study conducted at the University of South Africa with an insurance company showed that leaders ranking high on the Multifactor Leadership Questionnaire (MLQ), a 360 degree assessment of leadership skills, also had a high score on the Emotional Intelligence assessment

c/ Recruiting high-EI employees upfront can lead to better performance and lower staff turnover after one year, saving the company considerable costs.

At L’Oreal, high-EI sales agents appeared to outperform the average by more than US\$ 90k a year, and they had 63 percent less turnover during the first year than those selected without prior EI assessment. Also, in a study conducted in 1999 by Mc Clelland at a large beverage firm, the turnover of executives within two years fell sharply (from 50 percent to 6 percent) after executives started being recruited based on emotional competencies. Some similar results have been found at the US Air Force for recruiters, and by the Hay/McBer Research and Innovation Group for sales reps at a computer company.

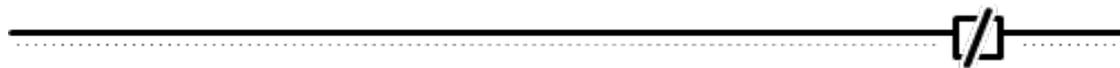
d/ Regarding the effectiveness of EI-based development programs in organizations, it is fair to say that there is still a considerable lack of research.

There are actually very few studies that deliver forceful conclusions on the effectiveness of such programs, for several reasons. Among them are:

- Most companies are not willing to share their data and/or don’t value the evaluation phase enough.
- Most training vendors don’t set the evaluation as a priority themselves.

Of course, this lack of evidence is not specific to EI-based trainings. All programs dealing with soft-skills, including leadership programs, face the same issue.

For more details on this, an excellent book to read is “Linking Emotional Intelligence and Performance at Work: Current Research Evidence with Individuals and Groups” by Gerald Mount, Fabio Sala, and Vanessa Urch Druskat.



3/ Why Emotional Intelligence is particularly crucial in Asia

Emotions are living matter and precious resources for artists. But in a corporate environment, they tend to be relegated underground. Many business leaders tend to believe that it is best to leave them at the gate.

This tendency not to express one's own emotions and not to encourage the expression of emotions in others is even stronger in the business environment in Asia.

The reason is that these behaviors are not commonly encouraged in Asian cultures, for example in the Japanese and Chinese cultures³.

The key point is not whether this is justified or not. This should be treated by a leader in Asia more like a fact, pretty much like the weather.

The key point here is that although emotions are not expressed, it does not mean that they do not exist. Actually, the opposite might be true.

For example, let's imagine that there is a person in your team who feels that he has been treated unfairly. Outside Asia, there are very good chances that you will hear about it pretty soon, or at least that you will see enough signs to be able to figure it out. But in Asia, it is likely that you will get less signals, and that each of these signals will be weaker.

Your team member will vent his frustration to his spouse, his friends, and probably also a few colleagues. But none of these waves will reach you, and the frustration may be cooking up for months without you having the slightest clue about it.

Until you see for yourself the overt symptoms: decreased engagement or quality of work, or a resignation letter on your desk...

³ A note of caution here. This doesn't mean that people in Asia don't have emotions or don't value emotions. This sounds obvious, but when looking at some cultural prejudices, for instance describing the Japanese as emotionless beings, it is worth reminding. I fully agree with David Matsumoto, a psychology professor at San Francisco State University and author of "The New Japan. Debunking seven cultural stereotypes", when he writes that "The Japanese are highly emotional and value their own feelings and those of others."(p 66).

We are talking here about emotional expression only. But even when it comes to emotional expression, David Matsumoto, challenges a classic study conducted by Ekman and Friesen in the 60's that concluded that the Japanese had a display rule that prevented them from displaying their true feelings in the presence of the experimenter. According to his own studies, the Japanese express negative emotions less toward in-group members – family, friends, work colleagues and peers – than do the Americans. But they express positive emotions more frequently than do the Americans toward the same groups. There would then be a significant difference in emotional expression depending on who they are talking to, whereas for Americans it would be more uniform. For more insights, please read pages 57-67 in "The New Japan"

Having been married to a Chinese lady working for a western multinational company was very instructive to me on that aspect. On a very regular basis, I would hear from her devastating comments about her bosses, accompanied with frustration and sometimes anger. Her bosses had no idea of how she felt because she would not express anything to them.

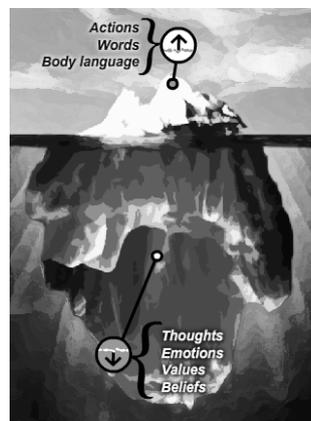
At that time, I was working with teams in Hong Kong, Shanghai, and Japan. That got me thinking seriously: “If these bosses have no idea of how their subordinate is feeling, am I really sure that the same is not happening to me?” And the sad truth was that I was not sure at all, no matter how earnestly I tried to build healthy relationships with them.

WATCH OUT: ICEBERGS ALL AROUND!

Each individual can be compared to an iceberg. Above the surface is what can be seen in that individual. Below the surface is what can't be seen.

What can we really see in others? Mainly what that individual does (behaviors), says, and the way she moves her body (body language). This is quite a lot already.

But what can't we easily see or observe? There is much more here: her thoughts, values, beliefs, and emotions.



The submerged part of an iceberg is the most dangerous. It could even destroy a huge boat like the Titanic, which was specifically designed as impossible to sink down. It can as well destroy your own boat: your relations with you key direct reports, your team members and your organization.

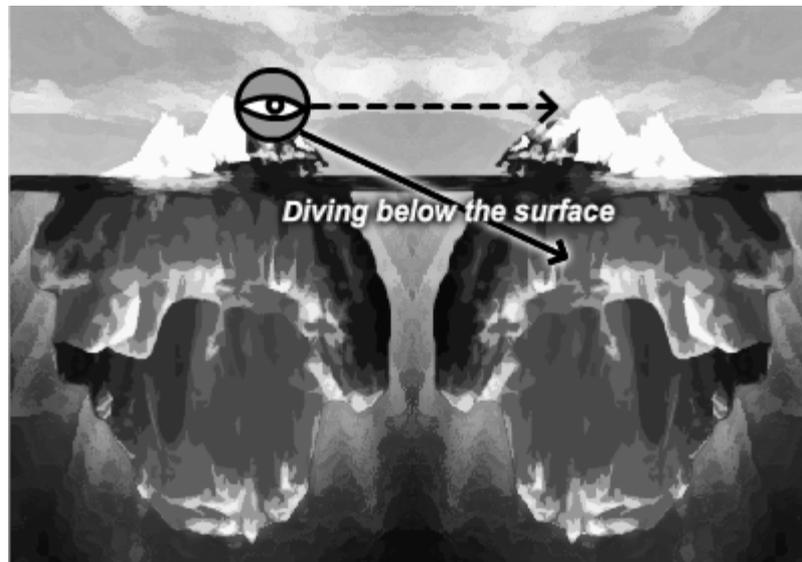
Keep in mind that you, as a leader, are an iceberg. And you are surrounded by other icebergs in your organization. Your peers, team members, or bosses are all icebergs.

It is crucial for you to **pro-actively find out what is going on below the surface**, particularly in your team members.

If you don't do it, you run the risk of being presented with bad surprises...just like the captain of the Titanic. I regularly hear of cases of leaders shocked that one of their key team members decided to leave their company or their team, in a move that came like a sudden bolt of thunder in a clear sky.⁴

On the positive side, the potential benefits are massive: spending a reasonable amount of time tuned to what is below the surface in your team members could bring you the keys to create high engagement in your team members (cf part 2 – chapter 9 for more details).

It has to be done pro-actively, as most communication between icebergs typically happens at the surface level: we talk about goals, action to be taken, problems to be solved. Going at times below the surface requires a conscious decision so step back and dive!



At this point, I frequently hear three objections:

- "It takes so much time. I can't afford to spend too much time on doing this". While this is understandable, what is it that you really can't afford? What you really can't afford is to hit the lower part of the iceberg and sink your ship. As for the time issue, we will see in

⁴ It is worth reminding here that several important studies have concluded that "People leave managers, not companies." In a poll carried out by Gallup Organization, involving over a million employees and 80,000 managers, it was revealed that "what most employees want, more than anything else is a good boss". According to this survey, this was the most influential factor affecting both employee retention and performance. This was reinforced by author Marcus Buckingham when he said "So much money has been spent at the challenge of keeping good people - in the form of better pay, better perks and better training - when, in the end, turnover is mostly a superior-subordinate relationship issue." Therefore if you have a turnover problem in your team, well it is time to have a look at your leadership.

the next chapter that it can be done in a relatively short time. Actually much less time than you could imagine. We will also discuss the conditions to encourage your people to open up.

- “I am not paid for that. And I am not a therapist”. True, you are not a therapist. But as the captain of the boat, you get paid to keep the best people in your crew, engage them and help them grow. If emotions under the waterline prevent you from achieving this, you are not doing what you get paid for.

- “I am doing it already, of course”. Well, perhaps you are. I don’t know you after all. My experience is just that many leaders don’t actually do it enough. Just take a few minutes to answer the following questions.