Improving Business Performance with “Emotional Intelligence”
What is Emotional Intelligence?

- The ability to recognise, understand and manage emotions in ourselves and others.
The Practical Research:

- The capability of people to perform work falls into three areas:
  - Technical Skills
  - Intellectual Capability (IQ)
  - Emotional Intelligence (EI)

- Emotional Intelligence can be increased (*unlike IQ*)
- Emotional Intelligence does not necessarily automatically increase with age
The Emotional Intelligence Model

- Daniel Goleman’s EI – based on Theory of Performance
- Provides practical links between emotional competencies and business
- Simple to understand, common sense model
Goleman’s Practical Research:

- Emotional Intelligence is the differentiator of "star" performer.
- Emotional Intelligence is a significant contributor to success in leadership.
- Emotional competencies are twice as important in contributing to excellence as other competencies.
Success & Failure Leadership Profiles

FAILURES

- Relevant Experience: 79%
- EI: 24%
- Outstanding IQ: 71%

SUCCESS

- Relevant Experience: 71%
- EI: 74%
- Outstanding IQ: 48%

Most Frequent Relevant Characteristic

SUCCESS & FAILURE PROFILES – Fernandez-Araoz & Goleman
Goleman’s Practical Research cont:

- The more people responsibility the position has in the organisation, the more EI matters (EI competencies can account for up to 85%)
- EI is synergistic with the other capabilities
- High levels of EI competence:
  - Achieve better financial results
  - Develop more effective and supportive organisational climates or culture
  - Achieve higher productivity gains with their workforce
Goleman’s Emotional Intelligence Model

**SELF**

**SELF-AWARENESS**
- Emotional Self-awareness
- Accurate Self-Assessment
- Self-Confidence

**SOCIAL AWARENESS**
- Empathy
- Organisational Awareness
- Service Orientation

**SELF-MANAGEMENT**
- Self-Control
- Transparency
- Adaptability
- Achievement Drive
- Initiative

**RELATIONSHIP MANAGEMENT**
- Inspirational Leadership
- Developing Others
- Influence
- Change Catalyst
- Conflict Management
- Building Bonds
- Teamwork & Collaboration
How is the EI Model different from current practices?

- Identifies core competencies required before people can be effective in Relationship Management
- Provides an organisational framework to help develop Relationship Management skills
- The model is based on what makes “star” performers
Intangible Assets

Market Value of Business

Shareholder Equity

Intangible Assets

Customer Capital

Customer, Supplier & Community Relationships
Value of Product Brands, Business Name, including Organisational Image etc

Organisational Capital

Internal processes & systems, internal structure, IT Systems, business concepts & models, communications.

Human Capital

Employee competence, behavioural capability & performance, culture & values

Emotional Intelligence Competencies
Customer Capital Measurement

- Growth/Renewal
  - e.g. revenue growth, new customers
- Efficiency
  - e.g. revenue per customer
- Stability
  - e.g. repeat business
Organisation Capital Measurement

- Growth/Renewal
  - e.g. revenue from new products
- Efficiency
  - e.g. proportion of administrative staff
- Stability
  - e.g. new staff ratio
Human Capital Measurement

- Growth/Renewal
  e.g. average professional competence
- Efficiency
  e.g. value added per employee
- Stability
  e.g. employee turnover
Human Capital: The Performance Advantage

- Low complexity jobs – 19%
- Medium complexity jobs – 32%
- High complexity jobs – 48%
- Sales jobs – 48% to 120%
Let’s talk about your company

- What percentage of your people are “star performers”?
- Do you think these people have good EI skills?
- What percentage of staff manage relationships with people?
- How many could improve the way they manage relationships?
Emotional Intelligence Competencies

- EI competency profiles of “star performers” vary with job roles
- Senior Executive managers may have different competencies to a Sales Manager, Trainer or a Technical Manager
- Are EI competencies used in recruitment and selection for positions within your organisation?
EI Development

Behaviours

Values

Beliefs

Needs
Self Directed Learning

1. MY REAL SELF?
Who am I?

2. MY IDEAL SELF
Who do I want to be?
What are my strengths and gaps?

3. MY LEARNING AGENDA
How can I build on my strengths whilst reducing my gaps?

4. EXPERIMENTING
and practising new behaviours, thoughts and feelings to the point of mastery

5. DEVELOPING TRUSTING RELATIONSHIPS
that support & encourage each step in the process and make change possible
Developing Self-Awareness

- This is the cornerstone of EI development
- Where do you start?
- What tools are you aware of?
- Start with the Enneagram
Emotional Health Levels

Degree of Self Centeredness

Less

More

Emotional Health Levels Characterized By

1. Presence
2. Wisdom
3. Social Value

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4. Recognition
5. Automated Responses
6. Exaggeration

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7. Survival
8. Preoccupation
9. Delusional

Degree of Behavioural Freedom

More

Less
What is leadership?
Leadership - Setting direction and coping with change

- Creating a compelling view of the future
- Setting direction
- Aligning people’s focus and energy
- Motivating and inspiring through communication
- Influencing and coaching others
- Empowering people and building trust
Management - Creating order and predictability

- Planning and budgeting
- Organising
- Staffing
- Controlling resources
- Directing and delegating
- Solving problems
Leadership vs Management

- Where do you spend your time?
  - X% in leadership
  - Y% in management

- What should the split look like?
**Strategic Services Model**

**Reactive/Operational**

1. **BUSY WORK**
   Gain credibility by delivering customer focused daily support to business

**Proactive/Strategic**

2. **OBJECTIVES**
   Building and implementing initiatives that contribute to the desired business objective/culture/vision

3. **BUSINESS PARTNERS**
   Getting closer to the business. Meeting regularly with business, providing advice that adds value – become key advisers

4. **LEADING THE BUSINESS**
   Ahead of the Business
   Presenting new opportunities
   New concepts put forward
   Adding significant value
   Provide creative and innovative ideas
What makes an effective leader?

What makes an effective follower?
What does leadership need to look like in this organisation?
Linking leadership to organisation success

- Why is it important to think about how we are doing things?
- What is the impact on our customers?
- What is the impact on our position in the marketplace?
What do we need to do now?