

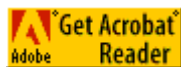


## Center for Quality of Management Journal

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### Emotional Intelligence: Another Management Fad, or a Skill of Leverage?

by  
Patricia Harmon, Ph.D.



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**Category:**

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Minds without emotions are not really minds at all. They are souls on ice - cold, lifeless, creatures devoid of any desires, fears, sorrows, pains or pleasures.

— LeDoux, 1996

In a June 1999 article entitled "Why CEOs Fail" *Fortune* magazine listed six habits of highly ineffective CEOs. The worst culprit in ineffectiveness wasn't the CEOs' failure to create or implement the right corporate strategy, as one might expect. The number one ineffectiveness habit was people problems. To be sure, the best strategy is useless without good execution. Getting the job done often requires tough decisions, and feelings should not get in the way. Nevertheless, overlooking the human element is a serious mistake.

Since the time of the ancient Greeks, philosophers have separated reason from passion, thinking from feeling, cognition from emotion. Setting emotions aside has long been assumed to aid in clarity of thinking. But that in premise now turns out to be false. Scientists now recognize that our cognition is intimately tied up with our emotions. Research now shows that emotions play an integral role in thought. So much so, in fact, that some now believe that we cannot make decisions based on logic alone (Damasio 1994).

In evolutionary terms, the limbic center in the human brain, where many of our emotions are mediated, developed first. The cortex developed later, as our species developed its capacities for reasoning. Given that, what comes first constitutes a frame of reference for what comes after, it is not surprising that feelings have an impact on how the rest of the brain and cognition function.

Traditionally, business management has emphasized

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return on investment and shareholder value, not the neurobiology of emotions. Managers have always recognized the importance of psychology as the foundation underlying human behavior, but only in the past few years has "emotional intelligence" cropped up in business parlance – and even now the term is used with some hesitation. As we hear more about emotional intelligence, some managers are beginning to accept that there may be something to it, although others see it as at best a "soft skill" or at worst a fad.

This paper will argue that emotional intelligence deserves more respect and greater understanding in the corporate environment. In particular, emotional intelligence should be given more consideration in planning and decision making in areas involving staffing acquisition and development.

As the pace of business increases and the dynamics of competition continue to change, corporations must continually check their blind spots in order to sustain their competitive edge. With the rise of high-tech companies and the growing prevalence of knowledge workers, organizations are becoming increasingly dependent on the talents and expertise of their employees. In many organizations, old hierarchical models of managing are giving way to autonomous work groups, making traits such as self-control, empathy and trustworthiness become more important in the repertoire of skills necessary for effective organizational functioning. Technical expertise is necessary, but so are the relationships that are forged when the work is directed through influence and conversation with one's peers, rather than through command and control.

**What Is Emotional Intelligence?**

The term emotional intelligence was originally coined in 1990 by Peter Salovey and J. D. Mayer, although the issue of non-cognitive or social intelligences had been addressed by previous researchers as early as 1940. In Howard Gardner's 1993 book on multiple intelligences, which drew much attention in education and psychology circles, the author refers to the "personal intelligences" as one subgroup of intelligences. Personal intelligences include (1) inner-directed, intrapersonal knowledge, which allows one to detect and to symbolize complex and highly differentiated sets of feelings; and (2) outer-directed, interpersonal knowledge – the ability to notice and make distinctions among the moods, temperaments,

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motivations, and intentions of others.

Finally, Daniel Goleman brought wide popular recognition to the concept of emotional intelligence in his best-selling 1995 book of the same name. Numerous efforts to define the concept have followed, and it may be some time before there is an agreed-upon definition of emotional intelligence. This paper will treat emotional intelligence as the ability to recognize one's own and others' emotions, understand them and make use of them in socially adaptable ways.

Emotional intelligence, then, is a measure of one's "street smarts" or "social radar." How we see things, of course, differs from person to person, depending upon each person's mindset and perspectives; but the ability to read social cues and then to respond to them in a way that demonstrates an understanding of others' perspectives is what emotional intelligence is about. This ability is not a measure of aptitude, achievement, or cognitive intelligence, although effective emotional intelligence functioning can be predictive of these. Tellingly, emotional intelligence seems to be twice as good a predictor of success in life as IQ.

We develop emotional intelligence in infancy when we first learn about emotional self-awareness. We make eye contact with our primary caregiver, the contact who returns; through this visual dialogue, an interactive spiral of communication continues. Verbal and nonverbal cues are exchanged in all of our interactions, and we learn to read and understand these cues. That is normal development.

When we do not experience this normal mode of development, however, we may not learn to be in touch with our own or others' feelings. Consider the case of a five-year-old girl who entered therapy because of poor impulse control (Siegel 1999). A review of the child's history revealed that she had severe visual problems, which had remained undetected until she was three and a half. She continued to have emotional outbursts in school even when she could see things in focus.

The therapist noticed that she did not look at other people's faces to "check in" with how they were responding to her. At school the child seemed oblivious to the reactions of her teachers and her peers. Because of this social disconnection, she appeared contentious, and seemed to have a deficit in the ability to perceive and

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process social signals. The therapist hypothesized that impaired vision was responsible for the child's social difficulties: She seemed to be living isolated from the needs and signals of others.

Face-to-face communication is one route through which attunement and social referencing enable one individual to perceive the emotional state of another. And emotionally contingent communication is at the developmental heart of emotion regulation. Understanding this, the girl's therapist worked with her for several months, encouraging her to look at others more frequently. In the sessions the therapist instructed the girl to look at whoever was talking to her. She encouraged her to engage in reflective dialogue about her emotions and constantly asked her to describe her feelings, as well as others' feelings, during and after interactions. The therapist counseled the girl's parents and teachers about the nature of social referencing and the importance of face-to-face communication in the development of emotion regulation. Eventually the girl was able to regulate her emotions and engage in more appropriate interactions with others.

It should be noted that this girl might also have had deficits in hearing, touch, or other modalities – because many people with impaired vision develop excellent emotional attunement without needing corrective therapy. Regardless of the cause, however, the point is that emotional intelligence is multifaceted and is a set of skills that derive from one's myriad past experiences as well as one's neurobiological circuitry.

The good news is that, given the right developmental efforts, emotional intelligence can be improved. Each of us is unique, and there are many possible reasons why someone with poor emotional intelligence skills performs or behaves that way. A manager who is bright and technically adept at his job but who has poor interpersonal skills that de-motivate others may simply not have had opportunities to develop his emotional intelligence skills in earlier years. If we have to interact with this manager in a work environment, we may try to work around his/her distasteful behaviors, tacitly assuming that those particular traits are a fixed part of the manager's character. All too often, however, this approach has costs, such as poorly functioning teams, missed goals and opportunities, or staff turnover. But if the manager can be made aware of his blind spot and can learn to be more reflective about his experiences, or can get the appropriate coaching to

overcome his/her deficit, the benefits will then speak for themselves. Further, if the manager is brought to understand that his/her deficit may simply be the result of a lack of experience or learning, and not some fundamental character flaw, chances are that he will not be defensive when asked to work toward change.

## **The Myth of Logic Alone**

Unfortunately, many in the corporate world still believe that emotions should not play a role in day-to-day work. Many managers pride themselves on their skills in logic and reason, particularly when they are called upon to make high-level decisions. These managers believe emotions must be kept in check; they perceive that for clarity of vision, which is fundamental to sound and successful decision making, there must be a firewall between thought and feeling.

This idea is a myth, however. It is not logic alone that is responsible for successful decision making. The noted neurologist Antonio Damasio (1994) has proved this with an example of the limits of pure reason. Damasio describes a patient who had suffered damage to the prefrontal cortex. The man's IQ was left intact, but he became dangerously lacking in judgment. When the doctor offered him a choice between two dates for his next office visit, the patient took the better part of half an hour in trying to decide, even going so far as to enumerate reasons for and against each of the two dates. He considered previous engagements, proximity to other engagements, possible meteorological conditions, and just about any other possibility, thus losing his ability to choose. Others might attribute such lack of decision-making ability to damage to an area of the brain responsible for selection. But Damasio explains that what helps us in making decisions is our vital, intuitive "gut feel" based on past experiences that are colored by the emotional valence we have attached to them. These experiential memories function as a learning device from an early age, when we began to experience and distinguish between pain and pleasure. They are stored in our memory system, and when we find ourselves in similar types of situations, they help to direct our thinking and behavior. Our ability to feel an emotion enables us to short-circuit "analysis paralysis" and to make choices without succumbing to the handcuffs of myriad choices. In cases in which similarly damaged people are able to recognize the counter-productivity of analysis paralysis, they often make choices to speed things along –

but the choices can be detrimental, as such persons do not understand the relative significance of the options available to them. Emotions, in tandem with past experiences and learning, help us to categorize and organize our thinking toward decision making.

In discussing just how fundamental emotion is to cognition, Greenspan (1997) gives an insightful explanation when he notes that we require emotional experience to produce a sensible answer to even a very simple question. For example, the query "what did you do today?" is almost never intended to elicit a literal chronology of activities. To respond by reciting a precise list of activities would strike others as strange, to say the least. What we normally do is mention the important events that took place during the day and which gave the day its tone. Whether those events were exciting, annoying or disappointing depends, in part, on our ability to give events emotional meaning, and on the degree and texture of that meaning. It also depends on whom we are responding to and on the point that we are making. Moreover, if we answer, "Nothing," we do not mean literally that the hours passed wholly uneventfully, but rather that nothing occurred that we perceived as significant.

Thinking, Greenspan explains, requires two components. An emotional structure is necessary for us to sort and organize events and ideas even before we use words and symbols to represent them. As unlikely as this scenario may seem, emotions are, in fact, the architects of a vast array of cognitive functions throughout the life span. We then need a process of testing, refining, and elaborating to evaluate these thoughts in light of our capacity for logic.

Until relatively recently there has been little neuroscientific inquiry into the way emotions and intelligence interact during early development. There is evidence, however, that areas of the brain having to do with emotional regulation, interaction, and sequencing (the prefrontal cortex) show increased metabolic activity during the second half of the first year of life. This is the same time that infants are involved in more reciprocal interactions and are evidencing greater intelligence in activities such as making choices and searching for hidden objects.

In illustrating how emotions organize experience and behavior, Greenspan gives as an example the way a child learns to say "hello." Although this might seem to be a

trivial skill, it involves the mastery of subtle, complex emotional cues. A child must learn to say "hello" only to those for whom it is an appropriate greeting. Learning general principles such as greeting everyone who lives nearby won't work, because the child cannot ascertain people's addresses. Neither will greeting everyone the child sees, as this is fraught with potential danger. Similarly, greeting only old friends and family members is not viable, because there are probably old friends and family members the child has not yet met.

So, how is this skill acquired? Through countless encounters in their early years, children figure out the problem. As they go about daily life, they eventually come to associate saying "hello" with the various emotions that come with seeing known people. They learn to recognize that friendly feeling that calls for a smile and a greeting. Strangers don't rate a "hello," because a child doesn't feel friendly toward them. They don't fit into the emotional context.

Thus, it follows that a child discriminates by carrying his or her own set of emotional cues from situation to situation, rather than by learning conscious or unconscious rules. Whenever the repertoire of past emotional cues confronts new circumstances that reproduce a familiar feeling, the child will tend to produce the relevant behavior. Long before children can speak, and normally even before they reach the age of eighteen months, they have already developed this capacity to size up new acquaintance as friendly or threatening, respectful or humiliating, supportive or undermining, so that they can behave appropriately. Thus, before we have acquired language to describe a reaction or can even think consciously, the ability to discriminate emotionally has taken root, and we have begun to experience that gut feel that often guides us in decision making.

In our day-to-day lives we use this gut feel, or intuitive signal, to help us pare down the array of choices available to us so that we can make choices without getting lost in all the possibilities. As Freud made clear, though, much of our emotional life is unconscious. Emotions that lie beneath the threshold of awareness can have a powerful effect on our perceptions and behavior. Think of a manager who begins the day by encountering rudeness on the way to work and then spends hours feeling on edge, taking offense at innocent comments from coworkers. He may not attribute his irritability to the morning incident, but if he could bring that incident into his awareness with

psychological insight, he could change his outlook and mood to function more effectively.

## **Conducting an Emotional Intelligence Audit**

Because emotions aid in organizing our experience and behavior, efforts at employee development must target emotional health. According to the International Foundation of Employee Benefit Plans, personal problems underlie much absenteeism, psychological difficulties and emotional stress, costing business approximately \$2 billion annually (Handley 1998). Conducting an emotional intelligence audit would be a cost-effective strategy if it enabled these problems to be highlighted and treated.

There are a few diagnostic instruments on the market now; two are Hay McBer's ECI and Multi-Health Systems' EQ-I. But the maxim of "caveat emptor" applies. Buyers must be sure to check the validity measures of each tool they are considering purchasing and must verify that it has been developed and tested by individuals who are qualified in assessment and measurement methodologies.

One effective method for conducting an emotional intelligence audit is to administer a diagnostic questionnaire to an intact project team or department to see how well members' emotional intelligence levels contribute to their goals and fit their competency model (if they have one). For example, say a company has listed certain competencies it deems desirable for its managers to have. These are the competencies that add the most value to the business which companies often determine by highlighting those behaviors that differentiate high from low performers – good salesmanship, outside-the-box thinking, and team skills. The company can then measure managers' emotional intelligence characteristics to pinpoint areas in which people may need development to achieve these competencies.

The EQ-I is one such diagnostic instrument. It consists of fifteen sub-scales that are grouped into core, resultant, and supporting factors. Core factors include emotional self-awareness, empathy, assertiveness, reality testing, and impulse control. Resultant factors include problem solving, interpersonal relationship, self-actualization, and happiness. Both the core and resultant factors are dependent on the supporting factors, which include self-

regard, independence, social responsibility, optimism, flexibility, and stress tolerance. This is how the supporting factors work: Assertiveness depends on positive self-regard and independence, as it is difficult for self-doubting or dependent people to express their feelings assertively to others. Optimism and stress tolerance combine with core factors like reality testing and impulse control to facilitate efficient problem solving. Interpersonal relationship depends on positive self-regard and social responsibility (which includes the ability to accept and respect others in addition to the feeling that one is a responsible, cooperative, and contributing member in one's social group).

Each sub-scale asks the individual to rate various statements. For example, responses to items such as "It's fairly easy for me to express feelings" and "When I'm angry with others, I can tell them about it" measure emotional self-awareness and assertiveness, respectively. The results are then statistically tabulated, and individual and composite reports are generated. One particular consumer products company audited its employees and found that the customer service reps scored poorly as a group on the assertiveness and happiness sub-scales. Further investigation revealed that these employees felt powerless as a result of being "low on the totem pole." They also felt that their jobs were too narrow, in that they only took orders from customers by phone – an activity that required few skills. The reps' interpersonal relationship score was high, however, and they acknowledged that they enjoyed the actual communication with their customers. The company responded to these findings by enriching the customer service employees' jobs by giving them more autonomy and latitude. Instead of only keying in orders, the employees were given "full ownership" of their customers: they could solve problems as they arose, rather than passing them off to a supervisor as was the previous practice. The employees were also included in more departmental meetings so that they could be involved in some decisions. A posttest revealed improved levels of assertiveness and happiness as a result.

Admittedly, self-report questionnaires measure people's perception of themselves, which may well be a few degrees away from complete accuracy and may be subject to self-deception. It is therefore imperative that managers employ multiple methods of assessing employees' emotional intelligence levels. Even the most highly valid and reliable instrument should be only the beginning of

the discourse, because statistics do not tell the whole story. Nevertheless, self-report questionnaires are useful in that they often help flag areas for further investigation.

Another benefit to conducting an emotional intelligence audit is that it allows companies to ask precisely which skill sets are associated with high performance. Once this question has been answered, companies can more specifically evaluate potential applicants for jobs; the object is to ensure a better fit with the corporate culture, which will result in better employee retention. For example, someone scoring low in interpersonal relationship skills would not do well in a front-line or sales position, where customer service is key. And for the employee, a good match between skills and job requirements can mean the difference between having a job and having a career; because working to one's potential brings challenge and meaning to one's work.

## **Emotional Intelligence Profiling in Practice**

Recruitment and selection are two areas that are aided particularly by emotional intelligence profiling. In 1996, when a study of 1,300 US Air Force recruiting personnel compared high and low-performers, the results debunked two long-held corporate myths (Handley 1998). First, highest recruiting performance had been thought to be associated with geographic region and the Air Force had traditionally set quotas and territory structures accordingly. The results of an emotional intelligence audit revealed, however, that geographic region had no significant statistical relationship with high performance — but that emotional intelligence skills did. Those who scored highest on emotional intelligence skills performed the best regardless of the geographic location.

The second myth was that increased recruitment success was the result of working more hours. The study indicated, however, that the highest performers worked the fewest hours, perhaps because their higher emotional intelligence traits or "street smarts" made recruiting easier for them than for their less skilled counterparts.

The five factors measured by the EQ-I that were found to be the most predictive of recruitment success were assertiveness, empathy, happiness, emotional self-

awareness and problem-solving skills. In fact, the odds of success were 2.7 times greater for people scoring high on these traits. It is not surprising that assertiveness, problem-solving skill, emotional self-awareness, and happiness are also related to sales success. And it is important to note, that regardless of what our job title, we are all in sales one way or another. We must sell ourselves as leaders, managers, friends, and parents; we must sell our ideas and concerns; and so on.

The role of empathy in business effectiveness is not so clear. Empathy is the understanding of and sensitivity to the emotions and social cues of others; but how and why does this translate to greater success in business? Some possible explanations: Successful people quickly get a "read" on colleagues and customers and thus can spend time where it counts. The ability to read people on the spot and adjust presentations on the fly, for example, means not wasting time on ineffective presentations or interactions with others. Emotional self-awareness is a complement to empathy and is about knowing oneself, reading and understanding one's own emotions. It may also be considered a prerequisite to empathy, as knowing oneself helps one to understand others.

Another interesting finding surfaced in a study of Bell Lab engineers conducted by Multi-Health Systems Canada. This study found that the differentiating factor between high and low-performing engineers was reality testing: the ability to accurately size up the immediate situation, which requires accurate social radar coupled with perceptual clarity. So it wasn't the engineers' technical skills, as might be expected, but rather the "softer" skills of emotional intelligence, among other things, that made the difference in performance.

## **Some Consequences of Low Emotional Intelligence**

In a survey of 9,144 workers conducted by Watson Wyatt Worldwide of Bethesda, Maryland (Wall Street Journal 1997), more than 80 percent of the respondents said they knew their employer's goals and their own responsibilities. Only 38 percent, however, felt that they received the necessary information or performance feedback. But giving feedback to employees is an essential part of management, feedback that if poorly done by a manager with low emotional intelligence, can have a

destructive effect, causing de-motivation and a drop in performance. Managers with a high level of emotional intelligence, on the other hand, can inspire employees to achieve results by communicating both praise and criticism appropriately.

Countless examples demonstrate how managers' bad behavior affects the bottom line. There was the employee who corrupted vital computer files because he was passed over for a promotion. The public relations scandal when managers were overheard making disparaging racial comments. The manager who threw one tantrum too many and caused his most talented subordinate to quit. And these are the obvious behaviors. Imagine the more subtle behaviors, idiosyncrasies, and emotional skill deficits of employees who waste the valuable time of their bosses. Managers often end up spending too much time managing people problems rather than working toward corporate goals. As Charles Handy (1993) says, "Trust is a much cheaper way of running things and more fitting to the dignity and rights of humankind." When an organization selects people with higher levels of emotional intelligence, and/or nurtures them toward those high levels, and then matches them closely to their job requirements, there is less need for control and follow-up.

As the job market tightens, companies hoping to attract and retain employees are offering numerous benefits. Among them are telecommuting, greater flex time, concierges, sabbaticals, day care services, and a host of others. These corporate gestures are appreciated, but are they targeting the areas of need? And will they guarantee a good rate of return on investment?

If we take a systemic view of companies, the answer is no. Throwing money at these types of benefits adds convenience and may help to alleviate some of the problems time-pressed managers face; but it does not address the deeper issue of intrinsic motivation, which lies at the heart of excellent job performance. In contrast, because emotions underlie behaviors, improving emotional intelligence levels is an approach that taps into the core of the system.

Undoubtedly, emotional intelligence will not, by itself, guarantee higher profits or greater market share. Corporations are extraordinarily fluid and complex, and no single intervention will cure every ill. But improving the way people work together has a multiplicative effect in an organization. Coupled with technical expertise, the

ability to form strong relationships across work groups can help teams navigate past the inevitable bottlenecks and speed up the time it takes to achieve corporate goals. In this way, enhanced emotional intelligence may be thought of as having a catalyzing effect: It helps to leverage intellectual capital, and that is a critical ingredient to achieving competitive advantage.

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