

Emotional Intelligence - What are the Benefits?

By Chrissie Webber

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“Emotional intelligence is a form of social intelligence that involves the ability to monitor ones own and others’ feelings and emotions, to discriminate amongst them, and to use this information to guide one’s thinking and action.” (Salovey & Mayer 1990)

Productivity

So, just what are the benefits to our organisations and us? Research into Emotional Intelligence by people such as Goleman, Salovey, Mayer, Spencer, Boyatzis etc., highlights its importance in terms of increasing your productivity and ensuring your competitive edge. Vital components in today' fast changing marketplace. Research shows that:

In jobs of medium complexity (sales clerks, mechanics), a top performer is 12 times more productive than those at the bottom and 85 percent more productive than an average performer. In the most complex jobs (insurance salespeople, account managers), a top performer is 127 percent more productive than an average performer (Hunter, Schmidt, & Judiesch, 1990). Competency research in over 200 companies and organizations worldwide suggests that about one-third of this difference is due to technical skill and cognitive ability while two-thirds is due to emotional competence (Goleman, 1998). (In top leadership positions, over four-fifths of the difference is due to emotional competence.)

Performance

Our performance therefore is highly influenced by our self-awareness and our ability to understand our behaviour and how it impacts on others. This offers us wider choices in the way we interact with and manage others performance.

One of the foundations of emotional competence -- accurate self-assessment -- was associated with superior performance among several hundred managers from 12 different organizations (Boyatzis, 1982).

Profitability

Emotional Intelligence levels of those who bring in the work also affect the turnover of a business. Whereas in past economic down turns organisations have downsized, research now shows that increasing the levels of emotional intelligence is a sound way of enhancing business stability or growth.

Experienced partners in a multinational consulting firm were assessed on the EI competencies plus

three others. Partners who scored above the median on 9 or more of the 20 competencies delivered \$1.2 million more profit from their accounts than did other partners – a 139 percent incremental gain (Boyatzis, 1999).

Staff Recruitment & Retention

It is the hidden costs of staff recruitment and retention that so easily get overlooked where financial savings are being considered. Now significant savings can be made through integrating emotional intelligence competencies into selection procedures.

In a large beverage firm, using standard methods to hire division presidents, 50% left within two years, mostly because of poor performance. When they started selecting based on emotional competencies such as initiative, self-confidence, and leadership, only 6% left in two years. Furthermore, the executives selected based on emotional competence were far more likely to perform in the top third based on salary bonuses for performance of the divisions they led: 87% were in the top third. In addition, division leaders with these competencies outperformed their targets by 15 to 20 percent. Those who lacked them under-performed by almost 20% (McClelland, 1999).

At a national furniture retailer, sales people hired based on emotional competence had half the dropout rate during their first year (Hay/McBer Research and Innovation Group, 1997).

Stress Management

Taking personal responsibility for handling your own stress is an emotional competency that benefits everyone. After all, stress affects us 100% of our time whilst we hold onto it. It also impacts on others and spreads like a virus through a team or organisation. Identifying it and managing it for ourselves can dramatically effect our chances in life for greater health and prosperity.

Another emotional competence, the ability to handle stress, was linked to success as a store manager in a retail chain. The most successful store managers were those best able to handle stress. Success was based on net profits, sales per square foot, sales per employee, and per dollar inventory investment (Lusch & Serpkeuci, 1990).

Given these few arguments can you really afford to discount the importance of the growth of Emotional Intelligence for yourself and your organisation? It is your choice that counts.

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