

# EMOTIONAL INTELLIGENCE NOW KEY TO BEST WORKFORCE

## Companies find that workers with high EQ are most productive

By ERINN HUTKIN Special to U-T San Diego 5:07 a.m. June 16, 2014

Measuring a person's emotional intelligence may seem like a "touchy-feely" concept, but it is one that is proving to be a successful method to hire, promote and retain highly productive executives and staff.

Essentially, assessing emotional intelligence (EI), also known as EQ, helps businesses address or identify problems with someone's behavior when it comes to how they manage emotions and how self-aware they are, particularly in stressful situations.

Many employers are hiring coaches to improve EI training, in addition to using EI assessments before hiring an employee and later to determine their high-potential candidates within their company.

Pamela Stambaugh, founder of San Diego's Accountability Pays, which works with companies to make sure they are hiring "A players," said emotional intelligence assessments – which can consist of a variety of tests – allow employers to make sure the people they hire are a "fit" for their type of work and work environment.

In doing so, many companies are finding they are increasing their return on investment.

But it's not just in hiring that EI comes into play. Stambaugh said Gallup's 2013 State of the American Workplace poll reported that 20 percent of employees act out their discontent in counterproductive ways, costing the U.S. economy roughly half a trillion dollars each year.

Diane Kucala, chief leadership officer at Carlsbad-based Blueprint Leadership, said high EI or EQ creates a multiplication effect. She said the connection between two or more people multiplies and the best in each person inspires the best in others – similar to what happens on winning basketball teams, where combined talent, energy and passion surpass that of the individual players and coaches.

"EQ is the most important component of leadership success in the 21st century," she said. "High EQ opens the channels of communication, which allows information to flow and good decisions to be made. Teams with poor or even moderate EQ stifle communication, engagement, commitment and collaboration. As a result, productivity, innovation and customer service suffer."

### High ROI

Lawrence Polsky, managing partner at PeopleNRG, a Princeton, N.J.-based company that coaches executive teams around the globe, said his organization's team-building approach helps executives and their team to use EI with each other. The team bonds through business-focused discussions and activities and they talk openly about what's needed to be a better team.

"And our customers tell us that (EI assessments) provide 200 to 6,600 percent ROI," he said. "This means they are seeing great value in addressing softer, EI-related topics as a team."

Christine DiDonato, founder of Career Revolution Inc., a group that helps companies turn young professionals into leaders, said when top performers have been studied, up to 90 percent of them test high in EI.

"Since there is a high correlation with EI and performance, if a company can further develop EI throughout their workforce, they should expect lifts in productivity, not to mention a much more self-aware culture," she said.

### Increases retention

In fact, said Mindy Bortness, president of Communication Works Inc., a San Diego-based business consulting and human development company, the concept of EI offers beauty in its simplicity. She said assessing rather than guessing when it comes to putting the right people into the right job allows employees to be happier, more actively engaged and feel valued as opposed to just "another butt in a seat," because they're working in areas that utilize their strengths.

In addition to increasing productivity, she said measuring EI can also increase retention, which she said is less costly than hiring a new person due to lost productivity when an employee leaves, placing ads for new hires, time spent interviewing candidates and providing training to new employees.

"Turnover has three times the cost of salary," she said. "That's conservative."

## **Not a 'nice-to-have'**

Still, Polsky said the formal concept of EI is somewhat new in the business world. He said EI has been used by leaders in corporations informally since the '60s, leveraging people as people and not just cogs in a machine.

But a 1995 book by Daniel Goleman, "Emotional Intelligence," legitimized the topic as relevant to business. He said the book summarized much of the known research and "made a strong case for something that in the past sounded 'touchy-feely.'"

"Emotional intelligence is not a 'nice-to-have,'" Polsky said. "It is a must-have for executives leading organizations in today's competitive, fast-changing business world."

## **Beyond fun events**

DiDonato at Career Revolution said EI assessments and coaching are often only used with senior leaders and not the majority of the workforce. She stressed that companies should look beyond just applying it to executives and apply it to their youngest generation of employees and their managers.

Since EI is complex and difficult to address, coaches are often needed to assist in the development process. She said good coaches can be expensive, which leads some companies to reserve EI for top executives.

"Most organizations lack the resources to provide the right kind of development for enough of their workforce to make a real difference to their bottom line," she said.

Rather, she said if companies see morale is declining or job satisfaction scores aren't what they'd like, the tendency is turning to "quick fixes like fun events or team outings."

She said while these activities have value, they don't address the root of performance problems.

"If a company needs to address why they have a disengaged workforce, increasing turnover or declining revenues, they should look beyond events and invest in tools and resources that make a difference in how their workforce interacts," she said.

## **Happy, productive**

Simply put, Polsky said EI boosts ROI when leaders use it to "get the best out of their people."

He said teams with the best results are the ones where leaders can leverage EI to increase trust, handle conflict and lead change. He said his company's "Happy and Productive" research completed this month shows that productive teams result when conflict is well-handled, meetings are run well and people are happy – factors driven by a leader's EI.

"We know that happy people are productive people," he said. "And productive people add value to their customers, the economy and the world they live in."

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