



Discussion Paper

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High Impact Selling
& Leadership

Workplace Emotional Intelligence
in Sales & Leadership

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What is Emotional Intelligence?

Emotional Intelligence is becoming a hot topic in the business world. However, many people are unsure of what Emotional Intelligence actually is and how it can have an impact at work.

Why Emotions matter in your workplace

Emotions affect workplace decisions and strategies every day. Ask yourself:

- ▶ Have you ever decided not to hire someone because 'something just didn't feel right'?
- ▶ Would you ask your boss for more resources when the boss is having 'a bad day'?
- ▶ Do you take a different approach when dealing with a disgruntled customer?
- ▶ How might you help motivate an under-performing team member to succeed?

Emotions influence your behaviours at work

The emotions you experience at work also influence the behaviours you display to others, including:

- ▶ tone of voice
- ▶ body language, and
- ▶ facial expressions.

What is Emotional Intelligence?

Emotional Intelligence involves a set of skills that define how effectively a person perceives, understands, reasons with and manage their own and others' feelings. When applied to work, Emotional Intelligence involves a person's capacity to think 'intelligently' with their own and others' emotions to intentionally and efficiently delivers individual and organisational outcomes.

A measurable difference

Work done by Genos, through the efforts of their research partner Swinburne University, have shown that emotional intelligence is related to many contemporary workplace variables, including:

- ▶ productivity and performance
- ▶ interpersonal effectiveness
- ▶ leadership capability
- ▶ sales performance
- ▶ teamwork
- ▶ customer service, and
- ▶ job satisfaction.

The value of assessing workplace emotional intelligence

Organisations increasingly seek a competitive edge in identifying and selecting employees. In a labour tight market, being recognised as an Employer of Choice means organisations can continue to attract the best candidates. Emotional Intelligence provides organisations with a competitive edge.

Workplace research shows that Emotional Intelligence predicts levels of employee performance for many important workplace variables. For example, Emotional Intelligence accounts for a significant portion of the variance in employees' effectiveness for the following:

Workplace performance indicator % of variance*

- ▶ Leadership effectiveness 36%
- ▶ Sales success 23%
- ▶ Teamwork 14%
- ▶ Stress tolerance 19%
- ▶ Organisational commitment (i.e., intention to stay) 22%
- ▶ Job satisfaction 24%
- ▶ Organisational Citizenship Behaviour (i.e., employee loyalty and engagement) 28%
- ▶ Absenteeism 29%
- ▶ Innovation and employee creativity 12%
- ▶ Customer service quality 12%

* Percentage variance accounted for by Emotional Intelligence is statistically significant at the $p < .05$ level.

Employees higher in Emotional Intelligence are more effective when performing many workplace roles and accountabilities. Emotionally Intelligent organisations provide the opportunity for newly hired employees to quickly assimilate into the workplace culture.

Indeed, the construct of Emotional Intelligence is considered to be meta-cognitive. Put another way, Emotional Intelligence has utility whenever a person experiences or utilises emotion in the workplace (i.e., in all workplace situations and interactions). Therefore, assessing an individual's level of Emotional Intelligence skill should be mandatory for any job role, level or function.

The benefits of assessing workplace Emotional Intelligence

Assessing Emotional Intelligence can provide critical information related to a potential or current employee's capacity to:

- ▶ quickly 'on-board' into a new role or work team
- ▶ understand the values or guiding principles underpinning an organisation or work team's culture
- ▶ communicate the requirements of their role in a way that captures others' attention
- ▶ manage the expectations of multiple stakeholders when delivering important organisational
- ▶ outcomes



- ▶ remain positive, optimistic and focused when faced with client or customer push-back, and
- ▶ problem solve and cope when dealing with workplace stress.

Emotional Intelligence adds additional information above traditional cognitive and personality measures.

EI versus IQ

Unlike a person's IQ and Personality, research studies have also shown that Emotional Intelligence (EI) skills can be enhanced through **insight**, and the **application** of simple yet effective development techniques

For example, research into the additive value of IQ, Personality and Emotional Intelligence on leadership effectiveness found that:

- ▶ Traditional IQ accounts for approximately 12% - 15% of the variance
- ▶ Personality accounts for a further 20% - 25% of the variance, and
- ▶ Emotional Intelligence then accounts for a further 36% of the variance in leadership effectiveness.

High Impact Leadership using Emotional Intelligence

Developing the EI of Leaders and Managers

Emerging workplace research increasingly shows that structured development programs deliver improved employee Emotional Intelligence. For example in *Leadership*, Increasing employee Emotional Intelligence by ...11% over a five month period resulted in organisations benefiting from a ...

- ▶ 11% improvement in a leader's capacity to role model transformational leadership behaviours
- ▶ 13% rise in the motivation and commitment shown by subordinates, and
- ▶ 3% increase in customer service focus.

Research by Pearce and Sims (2002) examined leadership effectiveness in change management teams. Based on their own and others' previous research they proposed the leadership style continuum. Each of the *five leadership styles* in that continuum is outlined below:

1. Aversive Leadership

The aversive leadership style relies primarily on coercive power and is rooted in punishment. Representative behaviours of aversive leadership style include:

- engaging in intimidation, and
- dispensing reprimands.

The demonstration of emotionally intelligence workplace behaviours is not a consideration in an aversive leadership work environment.

2. Directive Leadership

The directive leadership style relies on position power, which at times has been referred to as legitimate power. Directive leadership emphasizes the need to provide direction to subordinates. For example, planning and organizing

subordinates' roles and responsibilities. Representative behaviours of the directive leadership style include:

- issuing instructions and commands, and
- assigning goals.

Within directive leadership work environments a leader's demonstration of emotionally intelligent workplace behaviours is not a consideration. As such, the conscious application of a leader's emotional intelligence is often demonstrated sparingly.

3. Transactional Leadership

The transactional leadership behavioural style based upon reinforcement theory, which suggests that the consequence of a specific behaviour is an important determinant of whether the behaviour will be repeated. Transactional leaders influence subordinate behaviour by reinforcing (rewarding) those behaviours that are desired. For example, pay-for-performance remuneration structures are grounded in transactional leadership theory. The transactional leadership style focuses on clarifying the effort–reward relationships, using reward systems or prescriptions to achieve maximal motivation. Representative behaviours of transactional leadership style include:

- providing personal rewards
- providing material rewards
- managing by exception (active), and
- managing by exception (passive).

Within transactional leadership work environments a leader's demonstration of emotionally intelligent workplace behaviours is not a consideration. As such, the conscious application of a leader's emotional intelligence is often demonstrated sparingly.

4. Transformational Leadership

The transformational leadership style type is drawn from the sociology of charisma and charismatic Transformational leaders engage in behaviours perceived to achieve more charismatic effects, such as impression management, defining of subordinate roles in terms of ideological values, role modelling, and communicating confidence in others. Transformational leaders inspire high work performance with subordinates typically working hard to 'please' the leader. Representative behaviours of the transformational leadership style include:

- providing vision
- expressing idealism
- using inspirational communication
- having high performance expectations
- challenging the status quo, and
- providing intellectual stimulation.

In research undertaken into emotional intelligence and leadership, by Genos, the emotional intelligence was strongly associated with effective transformational leadership. *Within transformational leadership work environments a leader's frequent demonstration of workplace behaviours related to emotional intelligence is a key consideration.*

5. Empowering Leadership

Empowering leadership style encapsulates the development of follower self-management or self-leadership skills. In terms of the empowering leadership behavioural style, role models appropriately demonstrate self-leadership behaviour, which is subsequently adopted by the subordinate. Similar to the transformational leader, subordinates typically working hard in an empowering leadership environment, however, they do so for self-gain and personal satisfaction. Representative behaviours of the empowering leadership style include:

- encouraging independent action
- encouraging opportunity thinking
- encouraging team-work
- encouraging self-development
- using participative goal setting, and
- encouraging self-reward.

Within empowering leadership work environments a leader's frequent demonstration of workplace behaviours related to emotional intelligence is a key consideration.

High Impact Selling using Emotional Intelligence

Similar studies have found that Emotional Intelligence has a similar impact in sales and customer service, especially when selling and/or services a complex product or products (i.e. financial products).

Research studies suggest that Emotional Intelligence makes a difference in sales, including how effectively sales people:

- establish and build client rapport
- understand the needs of their customers
- generate passion for the products they sell, and
- overcome buyer objections when closing a sale.

Although an assessment of a person's IQ is usually relevant for any role type or level, the assessment of an individual's personality traits are not. More specifically, research examining the use of Emotional Intelligence assessments for sales and customer service oriented roles, suggests that it has greater relevance and utility (due to the very high need for inter-personal skills) than an assessment of an individual's Personality.

Within a sales and customer service context, assessing Emotional Intelligence can provide critical information related to a potential or current employee's capacity to:

- ▶ remain motivated and 'connected' when dealing with difficult customers
- ▶ willingly learn to tasks or product information (particularly those outside a person's 'comfort zone')
- ▶ understand the needs of their customers
- ▶ overcome buyer objections when closing a sale.
- ▶ quickly establish rapport with a new or 'prospect' customer

- ▶ communication skills, that is, being genuine and passionate about the product or products they are selling
- ▶ bounce-back from negative or rude customers
- ▶ appreciate and manage the expectations of clients
- ▶ remain positive, optimistic and focused when faced with client or customer push-back, and
- ▶ problem solve and cope when dealing with workplace stress.

Global research snapshot: EI and sales

- **\$1.2 million more profit from their accounts**
- EI leaders (partners in a multinational consulting firm) produce more than their less emotionally intelligent peers
- **\$91,370.00 per annum more in product sales**
- Sales professionals at L’Oreal with high EI sold more than their less emotionally intelligent peers
- **A net revenue increase of \$2,558,360.00**
- Also at L’Oreal, a cohort of sales professionals selected on the basis of higher EI generated significantly more revenue than existing employees
- **\$144,000 versus \$54,000 per insurance policy**
- Insurance sales professionals high in EI were found to sell policies with a higher average premium than their less emotionally intelligent peers
- **37% more life insurance policies sold in first two years of employment**
- New sales professionals at Metlife high in EI sold life insurance than their less emotionally intelligent peers
- **13% increase in sales performance post EI coaching**
- An Australian pharmaceutical company that conducted EI-enhancement coaching with sales reps achieved significantly higher sales results

Further information on EI Assessments & Workshops

For further information on EI assessments and workshops please contact us on 03 9532 7677.

Article Resources:

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