Return on Emotion:

*Predicting and Improving Human Performance*

Written by Diana Durek and Wendy Gordon

“A leader’s intelligence has to have a strong emotional component. He has to have high levels of self-awareness, maturity, and self-control. She must be able to withstand the heat, handle setbacks, and when those lucky moments arise, enjoy success with equal parts of joy and humility. No doubt Emotional Intelligence is more rare than book smarts, but my experience says it is actually more important in the making of a leader. You just can’t ignore it.”

- Jack Welch, former Chairman and CEO, General Electric Co.
"Those who excelled in sales as well as meeting customers' needs clearly outperformed those who did not," says Durek. In fact, “one-half of the skill set that existing successful telephone service centre reps need to be successful in their new role is comprised of emotional and social skills.”

**THE BUSINESS CASE FOR EMOTIONAL INTELLIGENCE**

Companies often need proof that more effective leaders, teamwork, and communication contribute to the bottom line. The prospect of introducing EI tools into an organization may generate some questions about the value of EI in the workplace.

“You’re going to be asked, ‘How is this going to make the organization better and how is this going to make us money?’” says Kelley Marko, President of Marko Consulting Services. Marko suggests you always start by “looking at the outcome that you want to achieve by engaging EI assessment and development in your organization. For example, having more effective leadership is often an outcome that organizations are looking for. Defining this objective—the ‘what’—gives a solid anchor point for participants. Emotional intelligence training then provides the ‘how’ to achieve this outcome in a strategic and informed way.”
Durek reveals that outcomes of applying EI in the workplace can be quantified in dollar amounts:

In a national insurance company, insurance sales agents weak in emotional competencies such as self-confidence, initiative, and empathy sold policies with an average premium of $54,000. Those who were strong in at least 5 of 8 key emotional competencies sold policies worth $114,000. (Hay/McBer Research and Innovation group, 1997).

Figure 3: Salespeople with High EI Make Bigger Sales

American Express Financial Advisors’ sales increased 18% after attending an Emotional Competence Program. As a separate study revealed, sales in regions where the managers attended the program increased 10% over sales where sales managers did not attend the program. (Consortium for Research on Emotional Intelligence, n.d.)

Recognizing that the higher one is in an organization, the more influence one has on others, American Express prefers to offer training opportunities to leaders first. Imagine increasing your organization’s sales by 11% by training a single manager in emotional intelligence competencies.

EQ was used to evaluate which scores predict success for debt collectors. Star performers collected 100% of quota while low performers collected 47%. New recruits who had been hired on the basis of their high scores and those who received special training collected 163% of quota over 3 months. (Bachman, 2000)
New recruits hired for debt collection, tested for EI, and trained in EI skills performed even better than existing star performers who met 100% of their quota. In other words, improving emotional intelligence can help raise the bar for an organization’s performance.

**IMPROVING EI**

In the examples shown here, those who scored well on EI assessments vastly outperform their colleagues who do not. Likewise, those who participate in EI-based training demonstrated increased productivity. From the question and answer section that followed, it was clear that webcast participants valued the bottom-line impact of EI and were eager to discuss implementing training and development programs. Topics on EI development and coaching will certainly be a focus for future HCI EI webcasts and white papers.

A four-step development process:
1. **Assess.** Get feedback on what areas to improve.
2. **Demonstrate.** What does the skill look like? Get specific, concrete examples during training and coaching.
3. **Practice.** Role-play these skills in practice and job-based scenarios.
4. **Feedback.** Get an idea of how close you are getting to the ideal.

“There is good evidence that improving leadership is best done by figuring out what strengths the leader has,” said Dr. Richard. People prefer increasing strengths over weaknesses, “and evidence shows that there is a big payoff.”
REFERENCES


Hay/McBer Research and Innovation Group (1997). This research was provided to Daniel Goleman and is reported in his book (Goleman, 1998)
PRESENTER

Diana Durek, Consultant, Multi-Health Systems

Diana is an expert in the area of emotional intelligence and its bottom-line impact on selection, development, and leadership initiatives in organizations across a wide range of industries. During her 6 years with MHS, a leading global psychological test publisher, she has worked closely with organizations to develop star performer systems powered by an emotional intelligence framework. Through comprehensive integration of star performer models into selection and performance management systems, Diana has helped organizations increase revenue and save money by predicting and improving individual and organizational performance. She frequently presents at conferences that cover business, human resources, and psychology. Prior to joining MHS, she held clinical and research positions as a mental health professional, providing a variety of services to children and adults.

PANELISTS

Cary Cherniss, Professor of Applied Psychology, Rutgers University

Cary Cherniss received his Ph.D. in Psychology from Yale University in 1972. He went on to teach at the University of Michigan in Ann Arbor, the University of Illinois in Chicago, the Chicago Medical School, and the Illinois Institute of Technology. In 1983, he came to Rutgers University where he helped create the doctoral program in Organizational Psychology at the Graduate School of Applied and Professional Psychology. He currently is Professor of Applied Psychology and Director of the Organizational Psychology program. Dr. Cherniss specializes in the areas of emotional intelligence, work stress, leadership development, and planned organizational change. He has published over 60 scholarly articles and book chapters on these topics, as well as six books, including The Emotionally Intelligent Workplace (Jossey-Bass, with Daniel Goleman) and Promoting Emotional Intelligence in the Workplace: Guidelines for Practitioners (American Society for Training and Development, with Mitchel Adler). In addition to his research and writing, Dr. Cherniss has consulted with many organizations in both the public and private sectors, including American Express, Johnson & Johnson, the US Coast Guard, AT&T, Telcordia, the United States Office of Personnel Management, and PSEG Power. He currently is the director and co-chair of the Consortium for Research on Emotional Intelligence in Organizations. He is a fellow of the American Psychological Association, past president of its Division 27 (Society for Community Research and Action), and a member of the Academy of Management.
Kelley Marko, President, Marko Consulting Services, Inc.
Kelley is President of Marko Consulting Services Inc., a leading Canadian firm working with organizations worldwide in developing high-performance leaders and enabling sustainable and meaningful change. In all his work, Kelley’s ultimate focus is to move individuals and organizations to strategic and informed action that impacts the bottom line. Kelley is also a professional executive coach and a certified adult educator. He is a master trainer and coach of emotional intelligence (EQ) and has worked with hundreds of leaders across diverse industries to improve their leadership competencies. His background incorporates front line through senior leadership positions in industry and professional management consulting with McKinsey and PriceWaterhouseCoopers in the area of organization and change strategy. Kelley holds an MBA from York University, an MA in Leadership and Learning from Royal Roads University and delivers a program called “Developing EQ in Your Workplace” through the Schulich Executive Education Centre, York University and Texas A&M University.

Larry Richard, Vice President, Hildebrandt International
Dr. Richard is the head of the Leadership & Organization Development Practice Group, which helps law firms and legal departments on people issues. Since the early 1980’s, he has pioneered the application of psychology and other behavioral sciences to the improvement of leadership and management practices in the legal profession. Dr. Richard is recognized as the leading authority on leadership effectiveness and organizational behavior in law firms. He is also a leading expert on lawyers’ personalities. During his career, he has developed numerous innovations to help the leaders in large law firms acquire and retain talent, develop that talent, and motivate people. Over the past 20+ years, Dr. Richard has worked with hundreds of law firms and corporate law departments to improve human performance in ways that improve the bottom line, increase satisfaction, and promote teamwork. Prior to becoming a consultant, he was a trial lawyer for ten years in Pennsylvania and New York.

Dick Thompson, President and CEO, High Performing Systems
Henry L. (Dick) Thompson, Ph.D., is president & CEO of High Performing Systems, Inc. (HPS), an international management consulting and training firm he founded in 1984. Throughout his career, he has gained valuable experience, insights and expertise building and leading high performing teams-from the battlefield to the boardroom—using a systems approach.
Dr. Thompson conducts research in areas that include Leadership, Emotional Intelligence, Cognitive Ability, Psychological Type (personality) and Group Dynamics (FIRO theory), and is recognized as a leading authority on assessing and integrating these concepts. He is a certifying/qualifying instructor for the Bar-On EQ-i, (Emotional Quotient Inventory), the MBTI instrument and Element B. His leading-edge work on selecting leaders, incorporating concepts such as Emotional Intelligence, has resulted in the Leadership Potential Assessment System, a unique scientific process for identifying best-fit leaders and determining their potential for growth across time.

MODOERATOR
Joy Kosta, Director, HCI Communities, the Human Capital Institute

As Director of Talent Development and Leadership Communities at The Human Capital Institute, Joy brings twenty-five years of experience in multiple facets of organizational development, human resources and business management with an emphasis in customer satisfaction, service quality, process improvement, and applying the Malcolm Baldrige Criteria for Performance Excellence. As founder and President of Performance Partners in Health Care, a company dedicated to building better patient experiences, she has authored several curriculums in leadership and staff development, and co-authored with Harold Bursztajn, MD Senior Clinical Faculty member, Harvard Medical School, Building a Treatment Alliance with Patients and Families.

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