

Return on investment: emotional intelligence

Emotional intelligence refers to individual differences in the identification, understanding, expression, management, and use of one's own emotions and those of others. Higher emotional intelligence is associated with greater happiness, better mental and physical health, more satisfying social relationships and greater professional success.

Proponents of emotional intelligence argue that it may be more important than intellectual intelligence (IQ). Emotional intelligence plays an important role **in selection, organizational development, executive coaching, and team building.**

Some organizations already invest in the development of their talent and sponsor programs aimed at leadership development, including the development of emotional intelligence. Emotional intelligence is essential to effective **team interaction and productivity**, and emotional intelligence of the **team leader** is important to the **effective functioning of the team.**



Copyright © 2011 Multi-Health Systems Inc. All rights reserved.
Based on the Bar-On EQ-I model by Reuven Bar-On, copyright 1997.

References:

George, J.M. (2000). Emotions and leadership: The role of emotional intelligence. *Human Relations*, 53(8), 1027-1044.

Prati, L.M., Douglas, C, Eeris, G.R., Ammeter, A.P, & Buckley, M.R.(2003). Emotional intelligence, leadership effectiveness, and team outcomes. *The International Journal of Organizational Analysis*, 11(1), 21-40.

While emotional intelligence isn't the only predictor of leadership success, research has shown that **emotional intelligence significantly contributes** to:

- Higher sales and profits
- Increased performance
- Improved customer satisfaction
- Decreased attrition rates
- Reduction in training costs

For your reference, here are specific examples:

At American Express, emotional intelligence **explained 48% of the variance in sales performance**. United States Air Force integrated emotional intelligence assessment into pre-employment screening and achieved **a 92% improvement in retention**. At New Zealand Telecom, 48% of the difference between high and low performing leaders could be attributed to emotional intelligence. At the Center for Creative Leadership, emotional intelligence **predicted high performance 80% of the time**. At CIBC Global Private Banking and Trust, an individual's test scores on emotional intelligence **accounted for 32% of his or her booked sales and 71% of pipeline sales**.

Examples provided by Multi-Health Systems, Inc