

# Why Emotional Intelligence Matters

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**Emotional intelligence is a vital part of what makes people effective in life.**

Whether in the workplace, at school, or in our personal lives, research shows that those who understand and manage emotions well tend to be more successful. And the good news: emotional intelligence is a skill you can learn!

Emotional intelligence is the capacity for recognizing our own feelings and those of others, for motivating ourselves and for managing emotions well in ourselves and in our relationships

- Daniel Goleman, "Working with Emotional Intelligence"

Widespread interest in emotional intelligence can be traced back to Daniel Goleman's bestselling book "Emotional Intelligence: Why it Matters More than IQ" where he showed that emotional intelligence matters *more than twice as much* as IQ or technical expertise in determining success at work.

**Fortunately, you can develop & improve your emotional intelligence**, unlike IQ and personality which are essentially fixed from an early age.

**To reach your full potential, you need to build your emotional intelligence**

**There is now a significant body of research showing that emotional intelligence is linked to successful performance in the workplace.**

For example, a famous study of insurance sales people at Metropolitan Life showed that employees high in the emotional competency of Optimism sold 37% more policies in their first two years. And those in the very top tier by optimism sold a staggering 88% more than the most pessimistic.

Similarly, a study with the US Air Force found that recruiters scoring high in emotional skills like Empathy, Self-Knowing, and Straightforwardness were significantly more effective. By selecting recruiters based on emotional intelligence, they boosted success rates 3-fold and saved over \$3 million p.a.

RocheMartin's own research with a group of high performers from Leadership Victoria has showed that they rated significantly higher than the general population on emotional intelligence, in particular on the competencies of Self-Confidence, Self-Reliance, Optimism, Self-Actualization, and Straightforwardness.

[The] conclusions all point to the paramount importance of EI in excellence on the job - in virtually any job.

- Daniel Goleman, "Working with Emotional Intelligence"

**Building your emotional intelligence is the key to being an effective leader**

As a leader, you inspire or demotivate others first by how effectively you manage your own emotional energy, and second by how well you mobilize, focus and renew the collective energy of the people you lead.

Without embracing emotional capitalism, you will never be the leader you aspire to be

- Greg Healy, CEO Quiksilver Asia.

Leadership is the art of achieving extraordinary things with ordinary people. Emotional capital is how you achieve this

The number one reason why people stay or leave an organization is based on the quality of the relationship with their immediate supervisor. Research by Gallup shows that. Low EQ leaders tend to have higher

turnover, lower engagement, and lower productivity in their team -- a compelling business case for why you need to develop the emotional intelligence of your leaders

## Why Emotional Capital Matters

First, emotional capital is valuable because it creates strong relationships that enable people to achieve effective collective outcomes. Research shows that the key factors driving job satisfaction are relationships with managers, company culture, advancement opportunities, and opportunities to work with others. Employees are simply more and more unwilling to stay in an unhappy work environment. Therefore, leaders who create cultures of passionate people maximize the productive potential of the human capital in the business.

Second, everybody knows that attracting and retaining talented people is the most important strategic issue for every company today and tomorrow. The most competitive market of the future is the labour market. To attract the most talented people, companies and organizations must focus on building exceptional workplace cultures where passionate people can innovate and drive change.

### How Do You Build Emotional Capital

#### EMOTIONAL CAPITAL MODEL OF EMOTIONAL INTELLIGENCE



In the last ten years, the most sensational strategy for building emotional capital has been to focus on developing emotional intelligence. Emotional intelligence is an indispensable set of social and emotional competencies for leveraging knowledge and emotions to drive positive change and business success

### Emotional Capital - Three Core Elements:

**1. External Emotional Capital** - the value of the feelings and perceptions held by the customer and the external stakeholder towards your business. The only way to create real profit is to attract the emotional rather than the rational customer by appealing to his or her feelings and imagination. Customers want to buy from organizations they like and who are like them. This creates brand value and goodwill and results in repeat sales through customer loyalty, lifetime relationships and referrals. In other words, the brand creates trust and recognition and is a promise and an emotional contract with each customer.

**2. Internal Emotional Capital** - the value of the emotional commitments held in the hearts of the people within your business. It can be seen in the energy and enthusiasm that people bring to work to create products and solve problems. Every relationship that your business has with everyone it touches is an asset and an investment. To build emotional wealth you must treat your people as investors because that is what they are — intellectual and emotional investors. Every day they bring their heads and hearts to work. And if they don't, you won't be in business very long.

**3. Intra-personal Emotional Capital** - the level of positive, focused energy that you invest at work and in your personal life. As a leader, you will inspire or demoralize others first by how effectively you manage your own emotional energy and, second, by how well you mobilize, focus and renew the collective energy of the people you lead.

### **Mental Toughness six skills:**

- 1. Pure Self-Confidence – The Courage to Succeed**
- 2. Self-Reliance – Taking Responsibility for Success**
- 3. Achievement Drive – Generating the Energy for Success**
- 4. Optimism – Sustaining the Commitment to Succeed**
- 5. Resilience – Mental Toughness**
- 6. Focus – Clarity of Mind**