

The Importance of EQ in 21st Century Business:

Why EQ is a Must

Dr. Dawn Muhammad

ENGL 222: Business Communication

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Dear Dr. Muhammad:

Subject: Formal report on emotional intelligence (EQ) completed

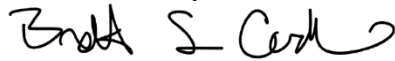
Here is the report intended to persuade our audience of the importance of EQ in business today that you requested in our course on November 30, 2020. Our report analyzes EQ in the following aspects:

- Characteristics and Business Applications
- Skills of Emotional Intelligence
- Leadership
- Trait Theories
- Investment in Emotional Intelligence

We are confident that you will find our report to provide valuable insight that will encourage businesses to take action and implement emotional intelligence training into their organizations.

We enjoyed collaborating to develop this report. I would like to thank all team members for their hard work in conducting research and contributing to this report. If you have any questions or comments about the report, we would be happy to set up a virtual meeting to discuss. I can be reached by email at cookb22@my.erau.edu.

Yours sincerely,



Brett Cook
Group 1 Team Leader

Enclosure: Report on EQ in 21st century business

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Executive Summary

Emotional intelligence, also referred to as emotional quotient (EQ), is the ability to identify emotions and their impact on behavior and attitudes. When it comes to business, the workplace is characterized by respect, teamwork, and communication among employees. We acknowledge that leaders, managers, and supervisors are responsible for the success for those beneath them. Emotional intelligence plays a key role in helping leaders understand and manage their emotions as well as the emotions of those they lead. It also allows them to motivate and encourage their employees. Customer relations improve when special emphasis is placed on the development of emotional intelligence in workers. This type of workplace environment has no allowance for shortcomings in professional relationships with staff members, employees, and customers. Since emotional intelligence is an emerging hot topic in business, it will only be more important and play a larger role in future business.

Introduction

In 21st century business, a greater priority has been placed on taking care of an organization's greatest asset, its people. Through this revelation, a new horizon has been identified in the human sector. Emotional intelligence was developed by Peter Salovey and John Mayer as a psychology theory. Salovey identified:

[e]motional intelligence [as] the ability to perceive emotions, to access and generate emotions so as to assist thought, to understand emotions and emotional knowledge, and to reflectively regulate emotions so as to promote emotional and intellectual growth, Mayer & Salovey, 1997 (Goleman's ET, n.d.).



Figure 1: Peter Salovey

Whether it is their own, an employee, or a customers' needs, emotional intelligence- when used correctly- can provide positive outcomes. Benefits include the relief of stress, effective communication, empathetic qualities, and the mitigation of conflict. Emotional intelligence can help people build stronger relationships. There are four basic attributes; self-awareness and self-management helps us to recognize our own emotions and the effect they have on others; social awareness is having empathy for others; and relationship management- knowing how to develop and maintain good relationships with employees or customers. Various investment opportunities also present themselves as well as leadership advantages, various theories to apply, and skills. Because social demands are raising expectations, emotional intelligence is paramount when considering future growth.

Characteristics and Business Applications

Around the globe, businesses are finding new approaches to innovative growth. Emotional intelligence offers a competitive approach to new frontiers through five key components. Using each component in the business world is important “because of the powerful role emotions play when planning goals and communicating” (Sanfilippo, 2019). Utilizing the characteristics for business applications will offer an expanse of benefits for your organization.



Figure 2: The Five Elements of EI

The first component is self-awareness. Self-awareness is the ability to identify and understand the feelings of yourself and others. Businesses are made up of people, and it is the people that help to drive a business toward success. Since business success is reliant on people, paying close attention to emotion is equally important as other business areas. Knowing how to behave differently or a goal to create a better reaction to a proposal or output can be the reason for success instead of failure by poor observation of an individual to their team’s emotions.

Next, we introduce self-regulation or self-management as the second component. Being able to self-regulate feelings is just as important as understanding them. This component encourages leaders to think before acting. Making hasty decisions or acting upon impulse is unwelcomed behavior in business. Ramifications can result in a ruined reputation or dismantle a team. Disruptive impulses can consume crucial time and direct attention from the goal.

The third component is regarding social awareness, commonly known as empathy. The common phrase, “reading the room,” takes on a new meaning when an individual’s purpose is to understand others’ emotions. Thus, encouraging appropriate behavior. Business is full of team tasks. Therefore, developing a relationship with other team members can create synergy. Teams with synergy work better together. Different talents being brought together to achieve a common goal create results than an individual would not be able to produce alone.

This requires being motivated, the fourth element of emotional intelligence. Sharing the drive toward achievement in a group keeps all team members committed to the same objective.

Individual members having personal motivation to come together as a team to motivate one another maintains commitment to the final product. When individuals take the initiative to stay focused and motivated, the team succeeds.

The final component is social regulation, or social skills. This is communicating effectively by “. . . identifying and resolving conflicts [through] leading by example and giving praise to others when earned” (Corporate Finance Institute, 2020). Moving a group with words is something that every leader needs to be able to do, especially when trying to motivate a group behind the same

	Recognition	Regulation
Personal Competence	Self-Awareness <ul style="list-style-type: none"> • Self-confidence • Awareness of your emotional state • Recognizing how your behavior impacts others • Paying attention to how others influence your emotional state 	Self-Management <ul style="list-style-type: none"> • Keeping disruptive emotions and impulses in check • Acting in congruence with your values • Handling change flexibly • Pursuing goals and opportunities despite obstacles and setbacks
Social Competence	Social Awareness <ul style="list-style-type: none"> • Picking up on the mood in the room • Caring what others are going through • Hearing what the other person is “really” saying 	Relationship Management <ul style="list-style-type: none"> • Getting along well with others • Handling conflict effectively • Clearly expressing ideas/information • Using sensitivity to another person’s feeling (empathy) to manage interactions successfully

Figure 3: Competence Applications of EI Elements

values as one does when running a business. These components each hold their own significance in the business world, and it is important that each is utilized when pursuing success.

The Skills of Emotional Intelligence

Emotional intelligence is used in business practices to help improve workplace relationships. Emotional intelligence has different aspects, components, and attributes associated with it. The way John Mayer and Peter Salovey described emotional intelligence is when a “. . . person is skilled in four areas: identifying emotions, using emotions, understanding emotions, and regulating emotions” (Moore, 2020). Thus, emotional intelligence is an essential skill set. To better understand your emotional skills, the first step to take is to familiarize yourself with the four basic components of emotional intelligence. They go hand in hand with each skill. Not everyone is gifted but can learn these skill sets. This is proven in businesses and personal lives around the world. It is believed that “[o]ur Emotional Intelligence skills are. . . huge contributors to our overall success in life, due to their influence on our ability to self-manage and motivate” (Moore, 2020). Current generations acknowledge emotional intelligence as a key to being an accomplishment in terms of one's personal success. Furthermore, emotional intelligence, interpersonal skills, and social skills are all considered the same in terms of skill. These are commonly classified as soft skills. In retrospect, can we argue that a person learns or acquires emotional intelligence skills? Yes, they can. Since emotional intelligence is a soft skill, this can be easily applied to acquire with work, motivation and- at times- therapy. Emotional intelligence is people skills. Anyone can learn to use these skills if he or she so desires.

Emotional intelligence skills help improve both professional and workplace relationships. We navigate some areas regarding how emotional intelligence comes into play. First, listening to others; this is a skill that has faded away. Second, facilitating thought. Although speculative, we consider this:

Daniel is a parking inspector, and his job, unfortunately, means that sometimes people return to their cars to find him printing out a ticket. Over the years, he's learned that an authoritative, "only doing my job" attitude tends to provoke negative reactions from drivers. Often, these lead to complaints about his performance. (Moore, 2019)

Simply, it is the way a person approaches another. This can also be looked at in a customer or co-worker interaction. Another area to consider is understanding the different perspectives. Oftentimes, people have a one-track-mind. They will not listen or attempt to understand the other point of view. Developing these skills can greatly improve life around the workplace and home too.



Figure 4: Improving Workplace Relationships

Leadership

Emotional intelligence (EI) is extremely important for leaders because their focus is leading people. At the upper levels of an organization, leaders must display EI skills because their decisions impact not just themselves, but the entire organization. It is important to note that EI involves managing the emotions belonging to oneself and others. From a leadership standpoint, leaders must recognize, understand, and manage their emotions as well as those of their subordinates.



Figure 5: Leaders Solving Problems

When conflicts arise in the workplace, leaders with EI skills are more prepared to handle situations and find appropriate solutions. Being able to peacefully resolve conflicts and tensions will allow teams to thrive. Leaders that possess EI can benefit twofold. In addition to finding creative and positive ways to handle emotional complexities in teams and the workplace, they are also able to use their social skills to effectively work with others.

Since EI starts with the self-awareness competency, leaders can improve their awareness in the following two ways. First, they can keep a journal to annotate their emotions and how they feel in situations. Doing so will allow them to keep a record of how they feel and do some self-reflection, which will help increase awareness. A second method is to slow down. Leaders that take a moment to stop what they are doing to examine their emotions will understand them and make better decisions.

In terms of the self-management competency of EI, leaders with it are better at achieving goals and adjusting to situations. Today's leaders must be achievement oriented if they are to be

competitive and reach success in their organization. Equally vital, leaders must be adaptable to ever changing circumstances. When taking a closer look at the success of an organization, a hint of its success can be gleaned by evaluating the EI of its leaders.

In the social-awareness quadrant, leaders are empathetic and have organizational awareness. Empathy is crucial to business because leaders must be able to sense others' feelings and perspectives to lead more effectively. Empathy lets leaders place themselves in other people's shoes and make better decisions to suit others' needs. Leaders that pay special attention to body

language can visually recognize how others feel and ensure their own body language does not come across as confrontational.

The final quadrant is centered around relationship management. Leaders take on many roles in their organizations, to include coaching and mentoring, managing conflict, influencing others, providing inspirational leadership, and leading teams. Leaders can apply their EI skills when they channel them into how they interact with others, such as in the above-mentioned ways.

People desire leaders that can provide coaching and mentoring to help them develop professionally. They also get comfort in the fact that leaders can help to resolve their issues as well as provide a degree of leadership that inspires them.



Figure 6: Empathetic Leadership

Trait Theories

Understanding the depth of emotional intelligence (EQ) is crucial when applying EQ to the functions of any organization. Abraham Maslow, responsible for Maslow's hierarchy of needs, once said “[t]o the man who only has a hammer, everything he encounters begins to look like a nail.” Utilizing the most advantageous qualities of EQ would require knowledge on the trait theory, responsible organizational applications, and worldly applications. Only once we fully navigate the sophistication of responsible theories and applications, then we may be ready to apply these tools to our teams.

Expanding our grasp on EQ leads us to examine the three-trait (model) theory. These models will equip us to understand the diverse capabilities of this tool. Further understanding the appropriate applications of each model will optimize effectiveness when properly integrated. We first visit the Ability Model, followed by the Mixed Model, and concluding with the Trait Model:

The Ability Model is responsible for the pathos qualities of EQ. Peter Salovey articulated this model in 2016 as he studied EQ alongside Yale University. Recognizing nonverbal communication such as facial expressions and body language would be categorized in this model. Reasoning with emotions and using emotions to provoke thinking is also a concept within the Ability Model (Salovey, 2019). This model is one of the more notable models in EQ because of its responsibility for understanding and managing emotions.

The applications of this enables teams to navigate past verbal communication. Although the most apparent use would be conflict avoidance, this may also be used to “. . . improve education in the [task at hand]. Once the problems in an area such as understanding emotions are well-described, educators can teach people how to think better about them”

(Salovey, 2016). A new frontier of productivity is reached when teams can think differently when approached with a problem-should all emotions be well-known.

The Mixed Model is responsible for the logos qualities of EQ. This model expresses reason as a tool as by David Goleman of Harvard University. This model is identified in five key parts (Salovey, 2019):

- Self-Awareness (confidence, recognition of feelings)
- Self-Regulation (self-control, trustworthiness, adaptability)
- Motivation (drive, commitment, initiative, optimism)
- Empathy (understanding others feelings, diversity, political awareness)
- Social Skills (leadership, conflict management, communication skills)

We acknowledge the expression of self-awareness in this model. We are not surprised as this encompasses the Goleman theory being “the ability to identify, assess and control one's own emotions, the emotion of others and that of groups.” This model starts at a micro level and expands to the macro. We also note that this is not a new idea when discussing team leadership. Thus, being that the leader is micro, expanding macro to the level of a group.

The Trait Model is responsible for the personality variables in EQ. This model focuses on two main subject areas: understanding and perception of one's emotions and using personality framework. We consider the importance of the idea that “[t]rait [EQ] does not assume that there is some archetypal “emotionally intelligent” individual whom all leaders, managers, and employees should strive to emulate” (Petrides, 2010). Especially when accounting for personality attributes, we should always stay conscious that there is

no superior trait. Navigating diverse teams can be challenging as “[c]ertain emotion profiles will be advantageous in some contexts but not in others” (Petrides, 2010).

Balancing this model with the former two will ensure a cohesive application across the team(s).

This strong basis on the three models has equipped us to better continue the discussion as we navigate into the application of EQ in organizations.

Since the mid 1990’s, the study of EQ has become increasingly more valuable for organizations. A shift from considering employees as a liability to being an asset has been notable through this integration of EQ. Sebastian Henry discussed EQ in his book, *EQ and Leadership in Asia*, where he notes on the leadership styles in China and their approach to emotions. Instead of a tool, China uses EQ as an ally, using EQ as a tactic to accomplish a common goal. It is best encompassed in Henry’s comparison that:

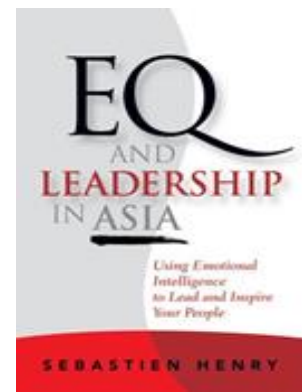


Figure 7: EQ And Leadership In Asia

Emotions can be compared to bees. We can choose to observe bees in a quite unstructured and unsystematic way, looking at them flying around – and getting stung at times. Or we can choose to understand how they live and work. Researchers who did this accessed an incredibly rich world, a world full of complex social interactions. (p.79)

With this comparison, we can see the direction that China is approaching EQ. Diversifying our understanding by creating an entity of its own. Nonviolent Communication (NVC) is a tool commonly used in these eastern cultures. Contradicting to what we may expect, NVC is a method which focuses on the proper expression of emotions. Where conflict can be a prime

hindrance in an organization, the application of NVC can encourage the expression of emotion, and thus a well-orchestrated resolution.

In conjunction with the three models above, combined with the application of methods such as NVC, we can achieve a well-rounded concept in our organizations. With these in mind, the most advantageous qualities of emotional intelligence in business can be properly encouraged. We have fully navigated the sophistication of responsible theories and applications.

Investment in Emotional Intelligence

Investing in the emotional intelligence (EI) of people is a great investment for any business.

Unlike the traditional way where competitive focus was just on refining products, today's businesses are faced with the competition of managing and leading people. Unfortunately, many businesses are not aware of the importance of EI. According to Owasi (2020), "Most companies spend lots of resources and time on providing technical training to their employees in the hope that it will improve performance, customer experience, sales result or productivity but many companies either do not even consider providing training on emotional intelligence or only consider it as an afterthought." This highlights how training people and developing their social skills will have a stronger impact in other areas, such as performance. The results are far reaching, to include increased productivity, competitiveness, and growth. Businesses today are searching for people that possess EI because it leads to long term success. Characteristics of EI



Figure 8: Changing the Mind for Growth

include things like good listening skills, creative responses to obstacles, personal management, teamwork skills, and leadership potential.

Businesses that understand why EI is important can take steps to build it up in their organization. Assessment is the first step where they can gauge employees' level of EI. Different assessment tests revolve around those that are based on traits, competencies, or behaviors. With a good idea of the level of EI already in the organization, businesses can choose the best approach for educating employees. In the next step, businesses must educate their employees on how to improve their EI skills. Examples for education include reading books or articles about EI, discussing the core principles of EI in meetings, encouraging employees to take EI tests, and

watching TED Talks about EI. Lastly, and most importantly, businesses must incentivize EI within their organization. In other words, they must create an environment that welcomes and encourages EI learning and applying those skills to facilitate a workplace of effective problem solving and cohesive teamwork.



Figure 9: A Positive Work Environment

Conclusions

In summary, to implement emotional intelligence is to preserve our organizations greatest assets. Although the examination of the characteristics, leadership, investments, theories, and skills may fall to the deaf, now- more than ever- is the time to consider these implementations. Just as the role of the production line in the industrial revolution, emotional intelligence serves a parallel importance to the function of an organization. Because social demands are raising expectations, emotional intelligence is paramount when considering future growth.

Recommendations

The following recommendations have been advised to ensure proper integration of emotional intelligence to your organization.

- **Administer and delegate** proper training to management.
- **Express** the importance of emotions in the success of a firm.
- **Establish** an effective source of information.
- **Continue development** of leadership in emotional intelligence.

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