About Topic Gateways

Topic Gateways are intended as a refresher or introduction to topics of interest to CIMA members. They include a basic definition, a brief overview and a fuller explanation of practical application. Finally they signpost some further resources for detailed understanding and research.

Topic Gateways are available electronically to CIMA Members only in the CPD Centre on the CIMA website, along with a number of electronic resources.

About the Technical Information Service

CIMA supports its members and students with its Technical Information Service (TIS) for their work and CPD needs.

Our information specialists and accounting specialists work closely together to identify or create authoritative resources to help members resolve their work related information needs. Additionally, our accounting specialists can help CIMA members and students with the interpretation of guidance on financial reporting, financial management and performance management, as defined in the CIMA Official Terminology 2005 edition.

CIMA members and students should sign into My CIMA to access these services and resources.

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Emotional Intelligence

Definition

‘The capacity for recognising our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships.’

Daniel Goleman

‘The ability to perceive, to integrate, to understand and reflectively manage one’s own and other people’s feelings.’

John D. Mayer

Overview and history

Emotional Intelligence (EI) is sometimes referred to as emotional intelligence quotient (EQ). It involves awareness and understanding of your own and other people’s emotions, and an ability to act on your own emotions in a considered and rational way. This results in greater communication skills and better relationships with colleagues.

‘Soft skills’ like emotional intelligence are increasingly being seen as a source of competitive advantage. It has been asserted that emotional intelligence is vital for effective leaders and is a major factor in strong performance. Proponents have cited many recent examples of how organisations have benefited from emotional intelligence.

David McClelland (1973) wrote a paper which suggested that professional success, and success in life generally, was due to certain competencies such as empathy, initiative and self discipline, rather than academic ability. This is one of the ideas behind the concept of emotional intelligence.

Howard Gardner (1975) introduced the idea of multiple intelligences, including interpersonal and intrapersonal intelligences, that are seen as related to emotional intelligence.

The first use of the phrase ‘emotional intelligence’ is variously attributed to Wayne Payne (in a 1985 doctoral thesis) and in 1990 by the psychologists John D. Mayer and Peter Salovey, among others.
Daniel Goleman was advised on his doctoral work by David McClelland, then a Harvard Professor of psychology. In the 1990s Daniel Goleman, as a psychologist and journalist, popularised emotional intelligence with several best selling books. His publications simplified difficult concepts in human psychology, and made ideas on emotional intelligence more accessible to a wider audience.

Other contributors include Malcolm Higgs and Victor Dulewicz, two British researchers who singled out a set of specific elements of emotional intelligence.

**Application**

According to Goleman, success in business requires more than just technical ability and a high intelligence quotient (IQ). A high level of emotional intelligence is also needed.

For instance, an individual who is very able technically and professionally may be promoted to a managerial role and fail. This could be due to a lack of practical management skill in areas such as planning and organisation. However, it might also be because of an inability to manage personal relationships. The newly promoted manager may not understand his or her own emotions or be able to empathise with colleagues. In other words, the individual may lack emotional intelligence.

When an emotion is experienced, the brain is programmed in such a way that an emotional response is triggered immediately. However, acting on that first impulse can lead to inappropriate words or actions. One important facet of emotional intelligence is an awareness of this first emotional response. Instead of acting on it, the emotionally intelligent individual allows subsequent, more rational thought to influence his or her actions.

Emotionally intelligent people can thus manage and use their emotions positively. In addition, they understand their colleagues’ emotions, can communicate well and can influence their colleagues effectively.

Some authors regard emotional intelligence as more important than IQ. They argue that many of today’s most successful individuals have a high level of emotional intelligence, irrespective of their IQ. Others argue that emotional intelligence is not a substitute for high IQ and technical or professional competence. Irrespective of these views, ‘soft skills’ like emotional intelligence are increasingly seen as a source of competitive advantage. Managers need to be able to handle colleagues sensitively and with tact.
According to Daniel Goleman, emotional intelligence is vital in leadership. Effective leaders have high levels of emotional intelligence. This can be a distinguishing characteristic in successful leaders at senior levels in organisations, where differences in technical skill between individuals are thought to be a less significant factor.

David McClelland asserted that emotional intelligence is not only a distinguishing quality in effective leaders, but is also a major factor in strong performance. He found that senior managers with a ‘critical mass’ of ‘emotional intelligence capabilities’ outperformed annual earnings targets by 20 per cent, while those without that ‘critical mass’ under performed by nearly 20 per cent.

An article titled ‘The Business Case for Emotional Intelligence’ by Cary Cherniss provides numerous other examples of how emotional intelligence has benefited various organisations. This article can be viewed on the website of the Consortium for Research on Emotional Intelligence in Organizations at: [www.eiconsortium.org/reports/business_case_for_ei.html](http://www.eiconsortium.org/reports/business_case_for_ei.html) [Accessed 11 February 2008].

**Models/frameworks**

Daniel Goleman developed a framework of ‘emotional and social competencies’ based on the work of Mayer and Salovey to explain emotional intelligence and how it applies in the workplace. The following is a simplified version:

- **self awareness** – understanding your emotions and their effect on your performance; understanding your strengths and weaknesses; self-confidence
- **self regulation** – self control, and using your emotions to facilitate rather than hinder your work
- **motivation** – the desire to work, persevere and succeed; taking the initiative; optimism
- **empathy** – understanding other people’s feelings and perspectives
- **social skills** – communicating and interacting with others effectively.

Goleman went on to develop the Emotional Competence Inventory (ECI), in conjunction with the Hay Group. The ECI is based on this framework and consists of four main elements, rather than the original five shown above. It is used to assess and develop EQ in the workplace.
Malcolm Higgs and Victor Dulewicz pinpointed several specific elements of emotional intelligence.

- **Drivers** – motivation and decisiveness. Two traits that energise individuals and ‘drive them towards achieving their goals’.
- **Constrainers** – conscientiousness, integrity and emotional resilience. These are controlling traits. They restrain the ‘excesses’ of the drivers.
- **Enablers** – sensitivity, influence and self-awareness. These traits ‘facilitate performance’. They encourage individuals to succeed.

**Developing and testing for emotional intelligence**

Intelligence is determined by two different parts of the brain, the neocortex and the limbic system. The neocortex is concerned with concepts and logic, and is therefore responsible for analytical and technical ability. The limbic system governs feelings, impulses and drives.

Conventional training, which may enhance technical skills, concentrates on the neocortex, and so is likely to have little impact on emotional intelligence. Training or development in emotional intelligence has to focus on the limbic system. Old habits must be broken and new ones established.

Emotional intelligence tends to increase with maturity. It can be learned, but this takes time and effort. According to Goleman, it takes at least two months to break old habits and replace them with new behaviour. Emotional intelligence training involves repeating and reinforcing appropriate behaviour, but there is no one universally agreed method. Goleman’s method involves getting an individual to produce an action plan, and then practising the new behaviour at work with the help of a mentor. Other experts have developed different methods.

Organisations must consider the following issues when developing an employee’s emotional intelligence.

- **Assess readiness** – make sure the individual is ready and willing to improve their emotional intelligence.
- **Motivate** – ensure they have sufficient motivation e.g. by aligning their emotional intelligence development with their professional objectives.
- **Make learning ‘self-directed’** – an individual should be able to use methods of development which suit them, and learn at their own pace.
• Realistic goals – development should involve small, manageable goals. Goals should be specific and behavioural.

• Practice – practice should be encouraged and support provided. Learning emotional intelligence is a gradual process.

• Role models – appropriate role models should be provided. Emotional intelligence teachers and senior managers should demonstrate emotionally intelligent behaviour that employees can emulate.

There are numerous different types of tests for measuring emotional intelligence levels. Most involve questionnaires or psychometric testing which assess an individual’s behavioural traits including assertiveness, sociability, decisiveness, self-esteem and tolerance.

**Reported benefits**

These include:

• better relationships with colleagues and being able to influence them while avoiding conflict
• better leadership and negotiation skills
• improved self control
• reduced stress
• increased self motivation
• better communication skills.

**Reported drawbacks**

These include:

• may be difficult to learn
• takes time to learn
• no one universally agreed standard definition
• no one universally agreed method of training
• may be seen as ‘just another management fad’.
References

www.cipd.co.uk/subjects/lnanddev/selfdev/emotintel.htm
[Accessed 11 February 2008]


http://psychology.about.com/od/personalitydevelopment/a/emotionalintelligence.htm [Accessed 07/02/2008]

Further Information

Articles

Full text available from Business Source Corporate through My CIMA
www.cimaglobal.com/mycima
[Accessed 11 February 2008]


Dulewicz, C. and Young, M. How important is emotional intelligence for effective leadership? Competency & Emotional Intelligence, Spring 2005, Volume 12, Issue 3, p. 38.


Books


CIMA Publications


Websites

CIPD
A factsheet on emotional intelligence can be found on the CIPD website at: [www.cipd.co.uk/subjects/lnanddev/selfdev/emotintel.htm](http://www.cipd.co.uk/subjects/lnanddev/selfdev/emotintel.htm) [Accessed 11 February 2008]

The Consortium for Research on Emotional Intelligence in Organisations. Reports and articles on emotional intelligence can be downloaded from this website [www.eiconsortium.org](http://www.eiconsortium.org) [Accessed 11 February 2007]

The Hay Group
There is a section on emotional intelligence on the Hay Group website which contains general information [www.haygroup.com/TL](http://www.haygroup.com/TL) [Accessed 11 February 2007]