

The Art of Influence and Collaboration in Commercial Real Estate

NAIOP Colorado

Developing Leaders Program

Educational Event

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PRESENTED BY JAMES TERRELL

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Just What /s Emotional Intelligence?

Emotional Intelligence is the name of a discipline which studies the physiological and behavioral aspects of effective emotional communication. It could be called the art of influence, and collaboration because any time we need to persuade someone to follow a specific course of action we need to influence their thinking and decision-making processes. This, it turns out, is accomplished through how effectively we interpret their emotional signals and respond with our own.

Over the past 20 years psychological researchers have developed scientifically validated and reliable assessments for measuring the accuracy of our emotional perceptiveness and how skillfully we send and receive emotional energy patterns. Extensive research has now proven how critical the so-called "soft skills" of managing human relationships are to the bottom line, and inaugurated a new era of emotionally-based personal and professional development.

THE BUSINESS CASE FOR EMOTIONAL INTELLIGENCE

By Cary Cherniss

The following list includes research from a variety of industries and business contexts that demonstrates the proven importance of Emotional Intelligence.

- 1) The US Air Force used the EQ-I to select recruiters (the Air Force's front-line HR personnel) and found that the most successful recruiters scored significantly higher in the emotional intelligence competencies of Assertiveness, Empathy, Happiness, and Emotional Self Awareness. The Air Force also found that by using emotional intelligence to select recruiters, they increased their ability to predict successful recruiters by nearly three-fold. The immediate gain was a saving of \$3 million annually. These gains resulted in the Government Accounting Office submitting a report to Congress, which led to a request that the Secretary of Defense order all branches of the armed forces to adopt this procedure in recruitment and selection. (The GAO report is titled, "Military Recruiting: The Department of Defense Could Improve Its Recruiter Selection and Incentive Systems," and it was submitted to Congress January 30, 1998. Richard Handley and Reuven Bar-On provided this information.)
- 2) Experienced partners in a multinational consulting firm were assessed on the EI competencies plus three others. Partners who scored above the median on 9 or more of the 20 competencies delivered \$1.2 million more profit from their accounts than did other partners – a 139 percent incremental gain (Boyatzis, 1999).
- 3) An analysis of more than 300 top-level executives from fifteen global companies showed that six emotional competencies distinguished stars from the average: Influence, Team Leadership, Organizational Awareness, self-confidence, Achievement Drive, and Leadership (Spencer, L. M., Jr., 1997).
- 4) In jobs of medium complexity (sales clerks, mechanics), a top performer is 12 times more productive than those at the bottom and 85 percent more productive than an average performer. In the most complex jobs (insurance salespeople, account managers), a top performer is 127 percent more productive than an average performer (Hunter, Schmidt, & Judiesch, 1990). Competency research in over 200 companies and organizations worldwide suggests that about one-third of this difference is due to technical skill and cognitive ability while two-thirds is due to emotional competence (Goleman, 1998). (In top leadership positions, over four-fifths of the difference is due to emotional competence.)
- 5) At L'Oreal, sales agents selected on the basis of certain emotional competencies significantly outsold salespeople selected using the company's old selection procedure. On an annual basis, salespeople selected on the basis of emotional competence sold \$91,370 more than other salespeople did, for a net revenue increase of \$2,558,360. Salespeople selected on the basis of emotional competence also had 63% less turnover during the first year than those selected in the typical way (Spencer & Spencer, 1993; Spencer, McClelland, & Kelner, 1997).
- 6) In a national insurance company, insurance sales agents who were weak in emotional competencies such as self-confidence, initiative, and empathy sold policies with an average premium of \$54,000. Those who were very strong in at least 5 of 8 key emotional competencies sold policies worth \$114,000 (Hay/McBer Research and Innovation Group, 1997).

7) In a large beverage firm, using standard methods to hire division presidents, 50% left within two years, mostly because of poor performance. When they started selecting based on emotional competencies such as initiative, self-confidence, and leadership, only 6% left in two years. Furthermore, the executives selected based on emotional competence were far more likely to perform in the top third based on salary bonuses for performance of the divisions they led: 87% were in the top third. In addition, division leaders with these competencies outperformed their targets by 15 to 20 percent. Those who lacked them under-performed by almost 20% (McClelland, 1999).

8) Research by the Center for Creative Leadership has found that the primary causes of derailment in executives involve deficits in emotional competence. The three primary ones are difficulty in handling change, not being able to work well in a team, and poor interpersonal relations.

9) After supervisors in a manufacturing plant received training in emotional competencies such as how to listen better and help employees resolve problems on their own, lost-time accidents were reduced by 50 percent, formal grievances were reduced from an average of 15 per year to 3 per year, and the plant exceeded productivity goals by \$250,000 (Pesuric & Byham, 1996). In another manufacturing plant where supervisors received similar training, production increased 17 percent. There was no such increase in production for a group of matched supervisors who were not trained (Porras & Anderson, 1981).

10) One of the foundations of emotional competence -- accurate self-assessment -- was associated with superior performance among several hundred managers from 12 different organizations (Boyatzis, 1982).

11) Another emotional competence, the ability to handle stress, was linked to success as a store manager in a retail chain. The most successful store managers were those best able to handle stress. Success was based on net profits, sales per square foot, sales per employee, and per dollar inventory investment (Lusch & Serpkeuci, 1990).

12) Optimism is another emotional competence that leads to increased productivity. New salesmen at Met Life who scored high on a test of "learned optimism" sold 37 percent more life insurance in their first two years than pessimists (Seligman, 1990).

13) A study of 130 executives found that how well people handled their own emotions determined how much people around them preferred to deal with them (Walter V. Clarke Associates, 1997).

14) For sales reps at a computer company, those hired based on their emotional competence were 90% more likely to finish their training than those hired on other criteria (Hay/McBer Research and Innovation Group, 1997).

15) At a national furniture retailer, sales people hired based on emotional competence had half the dropout rate during their first year (Hay/McBer Research and Innovation Group, 1997).

16) For 515 senior executives analyzed by the search firm Egon Zehnder International, those who were primarily strong in emotional intelligence were more likely to succeed than those who were strongest in either relevant previous experience or IQ. In other words, emotional intelligence was a better predictor of success than either relevant previous experience or high IQ. More specifically, the executive was high in emotional intelligence in 74 percent of the successes and only in 24 percent of the failures. The study included executives in Latin America, Germany, and Japan, and the results were almost identical in all three cultures.

17) The following description of a "star" performer reveals how several emotional competencies (noted in italics) were critical in his success: Michael Iem worked at Tandem Computers. Shortly after joining the company as a junior staff analyst, he became aware of the market trend away from mainframe computers to networks that linked workstations and personal computers (Service Orientation). Iem realized that unless Tandem responded to the trend, its products would become obsolete (Initiative and Innovation). He had to convince Tandem's managers that their old emphasis on mainframes was no longer appropriate (Influence) and then develop a system using new technology (Leadership, Change Catalyst). He spent four years showing off his new system to customers and company sales personnel before the new network applications were fully accepted (Self-confidence, Self-Control, Achievement Drive) (from Richman, L. S., "How to get ahead in America," *Fortune*, May 16, 1994, pp. 46-54).

18) Financial advisors at American Express whose managers completed the Emotional Competence training program were compared to an equal number whose managers had not. During the year following training, the advisors of trained managers grew their businesses by 18.1% compared to 16.2% for those whose managers were untrained.

19) The most successful debt collectors in a large collection agency had an average goal attainment of 163 percent over a three-month period. They were compared with a group of collectors who achieved an average of only 80 percent over the same time period. The most successful collectors scored significantly higher in the emotional intelligence competencies of self-actualization, independence, and optimism. (Self-actualization refers to a well-developed, inner knowledge of one's own goals and a sense of pride in one's work.) (Bachman et al., 2000).

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www.eiconsortium.org Location of *The Business Case for EI*

http://en.wikipedia.org/wiki/Emotional_intelligence

www.eiteams.com

<http://www.mhs.com/eihc.aspx?id=EIInsider> This is another place to get connected to a monthly news letter on EI

The 15 Emotional and Social Competencies from the Bar- On EQI

Intrapersonal

Self Regard-how well we like ourselves including both strengths and weaknesses

Emotional Self Awareness-understanding how we feel and why

Assertiveness-our ability to tell others what we like and dislike

Independence-our ability to decide on the objective facts of the situation

Self Actualization-how satisfied we are with our ability to reach the goals we set

Interpersonal

Empathy-understanding how others feel and why, and responding appropriately

Social Responsibility-our commitment to care for the needs of the group

Interpersonal Relationships-how much and what kind of energy we like to invest in friendships

Stress Management

Stress Tolerance-our ability to protect ourselves from the physiological consequences of stress

Impulse Control-our ability to choose our behaviors versus reacting impulsively

Adaptability

Reality Testing-our ability to correctly understand the objective reality

Flexibility-our ability to respond effectively when reality changes

Problem Solving-our ability to make reality change when it does not suit us

General Mood

Optimism-how happy we expect to be in the future

Happiness-how happy we are right now in the present

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Desiderata

Go placidly amid the noise and haste, and remember what peace there may be in silence. As far as possible, without surrender, be on good terms with all persons. Speak your truth quietly and clearly; and listen to others, even to the dull and ignorant; they too have their story. Avoid loud and aggressive persons; they are vexations to the spirit. If you compare yourself with others, you may become vain or bitter, for always there will be greater and lesser persons than yourself. Enjoy your achievements as well as your plans. Keep interested in your own career, however humble, it's a real possession in the changing fortunes of time. Exercise caution in your business affairs, for the world is full of trickery. But let this not blind you to what virtue there is; many persons strive for high ideals, and everywhere life is full of heroism. Be yourself. Especially do not feign affection. Neither be cynical about love; for in the face of all aridity and disenchantment, it is as perennial as the grass. Take kindly the counsel of the years, gracefully surrendering the things of youth. Nurture strength of spirit to shield you in sudden misfortune. But do not distress yourself with dark imaginings. Many fears are born of fatigue and loneliness. Beyond a wholesome discipline, be gentle with yourself. You are a child of the universe no less than the trees and the stars; you have a right to be here. And whether or not it is clear to you, no doubt the universe is unfolding as it should. Therefore be at peace with God, whatever you conceive Him to be. And whatever your labors and aspirations, in the noisy confusion of life, keep peace in your soul. With all its sham, drudgery and broken dreams, it is still a beautiful world. Be cheerful. Strive to be happy.

---Max Ehrmann

Emotional Intelligence, Stress, and Your Health

Bruised Egos Said to Cause Physical Pain

By **PAUL RECER**

.c The Associated Press

WASHINGTON (AP) - A rejected lover's broken heart may cause as much distress in a pain center of the brain as an actual physical injury, according to new research.

California researchers have found a **physiological basis for social pain** by monitoring the brains of people who thought they had been ***maliciously excluded from a computer game by other players.***

Naomi I. Eisenberger, a scientist at the University of California, Los Angeles and the first author of the study to be published Friday in the journal *Science*, said the study suggests that the **need for social inclusiveness is a deep-seated part of what it means to be human.**

“These findings show how deeply rooted our need is for social connection,” said Eisenberger. “There’s something about exclusion from others that is perceived as being as harmful to our survival as something that can physically hurt us, and our body automatically knows this.”

Eisenberger and her co-authors created a computer game in which test subjects were led to believe they were playing ball with two other players. At some point, the other players seemed to exclude the test subject from the game - making it appear the test subject had been suddenly rejected and blocked from playing with the group.

The shock and distress of this rejection registered in the same part of the brain, called the anterior cingulate cortex, that also responds to physical pain, Eisenberger said.

“The ACC is the same part of the brain that has been found to be associated with the unpleasantness of physical pain, the part of pain that really bothers us,” Eisenberger said.

Eisenberger said the **study suggests that social exclusion of any sort -- divorce, not being invited to a party, being turned down for a date -- would cause distress in the ACC.**

“You can imagine that this part of the brain is active any time we are separated from our close companions,” she said. “It would definitely be active when we experience a loss,” such as a death or the end of a love affair.

In a commentary in *Science*, Jaak Panksepp of the department of psychology at Bowling Green State University in Ohio, said earlier studies have shown that the anterior cingulate cortex is linked to physical pain.

He said the new study by Eisenberger and her co-authors demonstrates that the ACC is **also activated by the distress of social exclusion.**

“Throughout history poets have written about the pain of a broken heart,” Panksepp said in his commentary. “It seems that such poetic insights into the human condition are now supported by neurophysiological findings.”

The tendency to feel rejection as an acute pain may have developed in humans as a defensive mechanism for the species, said Eisenberger.

“**Because we have such a long time as infants and need to be taken care of, it is really important that we stay close to the social group. If we don’t we’re not going to survive,**” said Eisenberger.

“The hypothesis is that the social attachment system that makes sure we don’t stray too far from the group piggybacked onto the pain system to help our species survive.”

This suggests that the need to be accepted as part of a social group is as important to humans as avoiding other types of pain, she said.

Just as an infant may learn to avoid fire by first being burned, humans may learn to stick together because rejection causes distress in the pain center of the brain, said Eisenberger.

“If it hurts to be separated from other people, then it will prevent us from straying too far from the social group,” she said.

On the Net:Science: <http://www.sciencemag.org>

Forgive and Your Health Won't Forget

JANE LAMPMAN for The Christian Science Monitor

There's no getting around it - forgiveness is good for you and holding a grudge is not.

While many people believe that to forgive someone is to let that other guy off the hook, maybe undeservedly, evidence is mounting that it's the one who stops holding a grudge who finds a new lease on life - and on health and well-being.

A growing body of research reveals that those who are forgiving not only have improved relationships, but fewer health problems and lower incidence of the most serious illnesses.

To be angry is not good for your health, says Herbert Benson, president of Harvard's Mind/Body Medical Institute. "Hatred is a banquet until you recognize you are the main course." Forgiveness reduces anger and stress, and 60 to 90 percent of all the business that comes to physicians is stress related, he says.

Research also shows that people who receive training in forgiveness experience significant reduction in depression, and gain in self-confidence, vitality, and hope.

With such promising results, forgiveness, along with other mind-body research, is encouraging a fundamental shift in the treatment of patients and in the training of doctors, psychologists, and other caregivers.

The benefits of choosing forgiveness accrue in everyday life as well as in treating those in the most severe circumstances. For instance:

After six years of deep hurt and hatred over a nasty divorce, Catherine O'Brien, a video producer at Stanford University, says she "was liberated by forgiving." A friend weary of listening to her grievances gave her a tape on forgiveness by Fred Luskin, a Stanford psychologist. When she listened to it, she says, "it was a light-bulb moment - it changed everything." She was able to get rid of her bad feelings, reestablish a relationship with her ex-husband, and, she adds, learn not to take things so personally in other situations.

At a residential center for men with difficult cases of drug and alcohol abuse, a recent six-week training project in forgiveness showed significant results. Patients in the center's traditional rehab program improved but remained clinically depressed.

Those in forgiveness training "went from severe and moderate depression to a nondepressed state," says Robert Enright, professor of educational psychology at the University of Wisconsin, Madison. Four months later a retest showed the latter maintained their health and "were much more confident they would avoid drug abuse in the future."