



INSTITUTE for HEALTH and HUMAN POTENTIAL

Unleash the Power of Emotional Intelligence

IHHP 2020 Research Report
Empowering People with the Skills to Thrive in the New Normal

The Essential Skill of the Future

In our 2019 research report, we stated, "The future workplace is changing to make the skill of Emotional Intelligence essential in 2020 and beyond."



"The 10 Skills You Need to Thrive in the Fourth Industrial Revolution" - World Economic Forum

Growing Demand

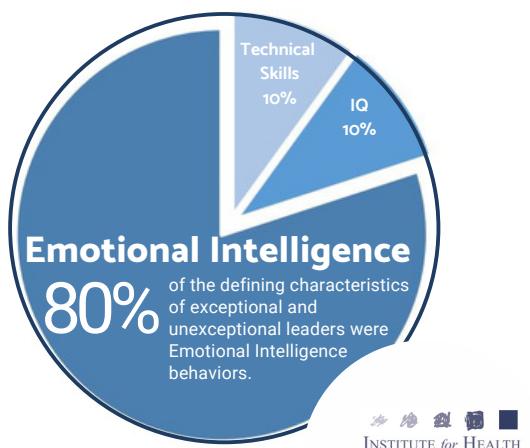
In 2019, The World Economic Forum added Emotional Intelligence as one of the Top 10 skills needed for success in the 2020's.

Furthermore, Emotional Intelligence directly affects and is a key foundational skill for all of the other skills on the list.

Rising Across Industries

Emotional, social, and technological skills continue to be the only skills that are on the rise across all major industries.

In an increasingly digital world, physical, manual, basic cognitive, and even higher cognitive skills are less impactful.

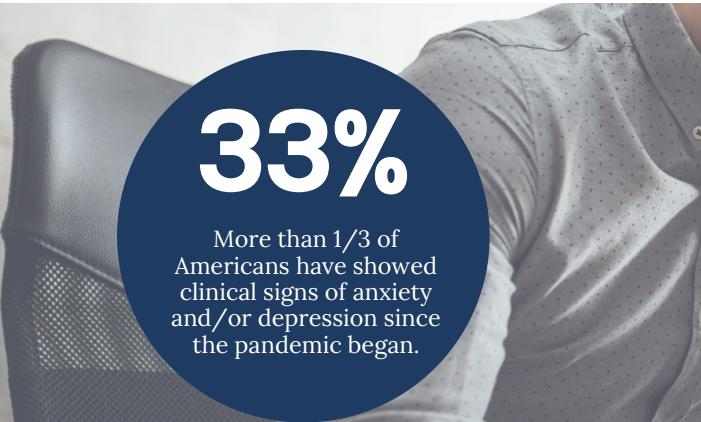


Defining Leadership

Technical skills and IQ can only help a leader so much in terms of effectiveness and impact on teams. **EI is the differentiator.**

Now, in 2020, is EI still the skill of the future?

2020: A Year of Unprecedented Change



33%

More than 1/3 of Americans have showed clinical signs of anxiety and/or depression since the pandemic began.

Anxiety and Mental Health

The number of people reporting that their mental health has declined has dramatically risen over the last few months. What is worse, experts predict the psychological effects of COVID-19 to outlast the virus itself and have long-term consequences for individuals and organizations.

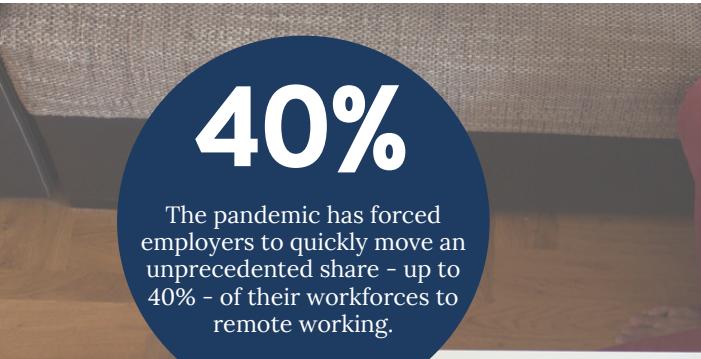


70%

The economy is now a significant source of stress for 70% of Americans.

Economic Downturn

With global consumer confidence plummeting since the onset of the pandemic, unemployment rates surging, and supply chains being disrupted, it is difficult to predict when and how the economy will recover. Over 70% of US CFOs are deferring any significant investments as they wait for more certainty.

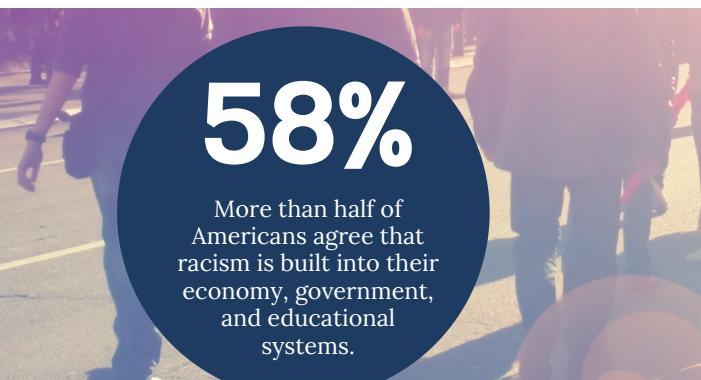


40%

The pandemic has forced employers to quickly move an unprecedented share - up to 40% - of their workforces to remote working.

Work from Home

Organizations have had to quickly understand infrastructure and policy requirements, how to manage remote teams and collaboration, and a new work-life balance. With over 80% of employees saying they want to continue remote working post-pandemic, these are no longer short-term challenges.



58%

More than half of Americans agree that racism is built into their economy, government, and educational systems.

Social Unrest

Months of protests have brought global attention to anti-racism and diversity. Yet, research shows large discrepancies in attitudes towards racism still exist. There is much work to be done, and with an upcoming election and likely more stay-at-home orders, tensions may not be subsiding any time soon.

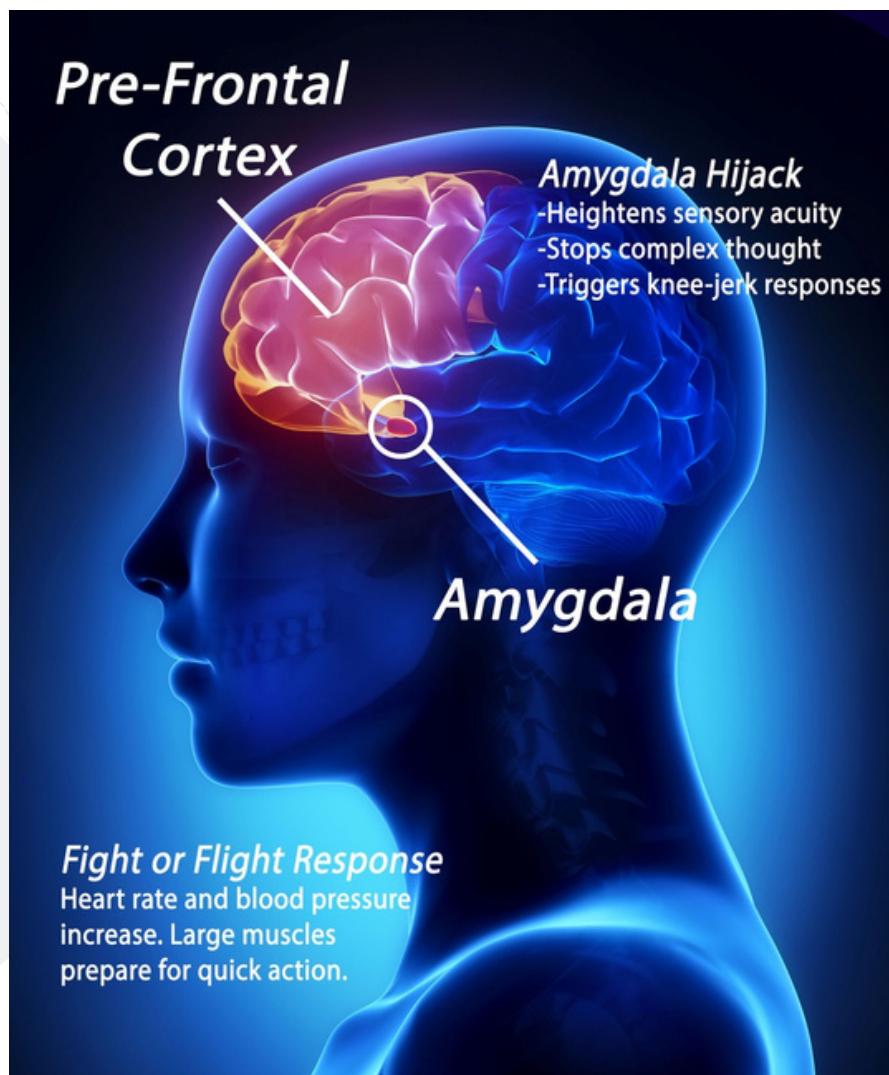
The Cost of Stress

Stress causes several changes in brain chemistry that can result in significant organizational costs including:

- Reduced cognitive performance and productivity
- Decline in empathy and customer service levels
- Inability to unleash collaboration, creativity, and innovation
- Rise in health costs and employee turnover

In 2019, the World Health Organization estimated that \$1 trillion per year was lost in productivity due to anxiety. That number will likely rise in 2020.

What happens to the brain under stress?



The Impact on Talent Management

All areas of talent management and human resources are undergoing significant change.



Talent Acquisition

- Reductions or freezes on hiring for permanent roles
- Heavier reliance on temporary or freelance talent
- Need to navigate the growing talent shortage - digital and soft skills are more in-demand than ever

★ Freelance hiring for scarce digital skills has risen during the pandemic as employers look for flexibility.



Performance Management

- Need to convey link between employee goals and business goals
- Managers need to know how to coach and motivate employees through uncertainty
- Rewards and recognition must be adapted amid changing priorities to boost performance

★ 73% of employers will go ahead with performance reviews to acknowledge contributions and provide feedback



Learning and Development

- Shift to exclusively virtual training
- Need broad-based training to help employees cope and adjust to new normal
- Invest in leadership development - decision-making, motivating teams



70% of CEOs are now active champions of learning – a 159% increase from March.



Employee Experience

- Communicate more frequently to provide peace of mind given the pace of change
- Be more hands-on in helping people adapt to remote work and new norms
- Navigate emotional impact of layoffs and furloughs (address workloads, shrinking teams, grief/loss)

★ Some organizations are reporting an increase in engagement as teams collaborate and connect more.

"Our research on reskilling shows that CHROs need to think about the effects of large workforce transitions being accelerated by the COVID-19 crisis and how reskilling plays a key role in helping close talent gaps while keeping employees connected to jobs."

- McKinsey & Company

How Can HR/Talent Support?

Steps You Can Take Now

Get Started: Ask yourself the following questions to understand what opportunities there are for your organization and how you can begin to support and empower your people.

1. Reduce barriers for connection.

- What is getting in the way of leaders and employees connecting with each other regularly?
- Are informal chats common? Or is it always business? How can you make it easier for people to talk casually?
- How well do managers know their direct reports and their personal goals?
- Can existing touchpoints be adapted to enable deeper interaction?

2. Seek feedback and contribution at every junction.

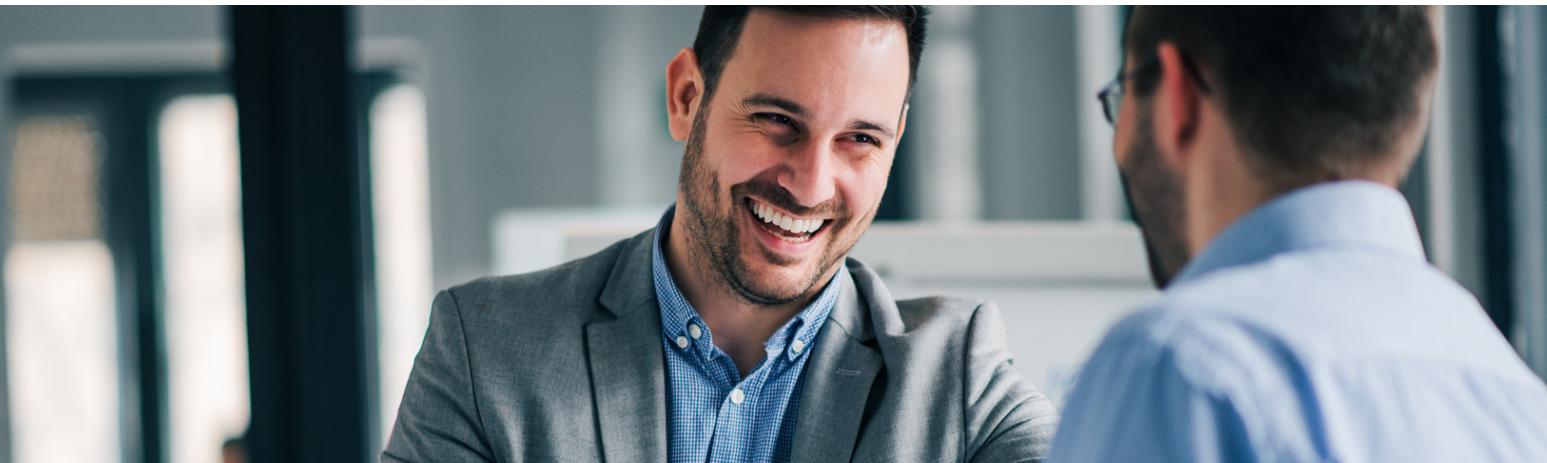
- What mechanisms are currently in place for people to provide input? Can these be amplified and/or simplified?
- Are there any perceived barriers to providing honest feedback?
- Do employees understand the decision-making process and what their role in it is?
- Are innovative ideas valued and encouraged adequately? How can you reduce risk of judgement?

3. Reinforce organizational values.

- How well do employees understand the meaning of their work - their individual impact on business goals?
- Are there any discrepancies in the interpretation of your values? How can you ensure alignment?
- Do employees still believe in the organization's vision? Or do they believe it has shifted to survival mode in the midst of challenge?
- How are those who uphold the organization's values recognized and rewarded? How can you leverage these individuals to motivate others?

4. Foster a learning culture.

- What productivity challenges are teams facing day-to-day? What support is available to them?
- Are employees' technical skills up-to-date? Are their collaborative skills adaptable to the current environment?
- How can you encourage knowledge-sharing and mentoring?
- How are mistakes treated currently? How can you ensure they are treated as development opportunities?



The Future is Here

Emotional Intelligence is no longer just an essential skill for the future, but a must-have skill for today.



After a year of unprecedented change, the trend for developing Emotional Intelligence has accelerated.

2020 has exposed gaps in organizations and their leadership, including a lack of true agility, resilience, and ability to lead people in the midst of pressure.

Human skills like empathy, listening, coaching, and teamwork will be key to keeping up with this rapid pace of change and digital transformation.

What is Emotional Intelligence?

definition e·mo·tion·al in·tel·li·gence

Noun

EI or EQ is the ability to:

- Recognize, understand, and manage **our own** emotions
- Recognize, understand, and influence the emotions **of others**



Emotional Intelligence is a set of abilities that can be measured, learned, practiced, and mastered. EI allows us to choose how we want to respond and behave.

IHHP's EI competency model consists of three areas of leadership development:

- Self-Awareness
- Emotional Management
- Emotional Connection





It Starts From the Top

A culture of empathy, support, and connection that can weather uncertainty and remain resilient in the face of crisis starts at the top, with leaders.

The current level of stress and change has expanded the scope of leadership. Rather than simply managing performance and tasks, leaders need to be more present.

From anxiety and fear of change, to fatigue and grief over the loss of normalcy, there is a lot of emotional strain with which employees need support.

This requires leaders, even those who are normally more removed, to interact more intimately with their teams. Time and effort must be allocated for genuine human connection so that people feel heard, valued, and supported.

An added benefit to being more involved with teams is the addition of some much-needed perspective when strategy planning and making difficult decisions.

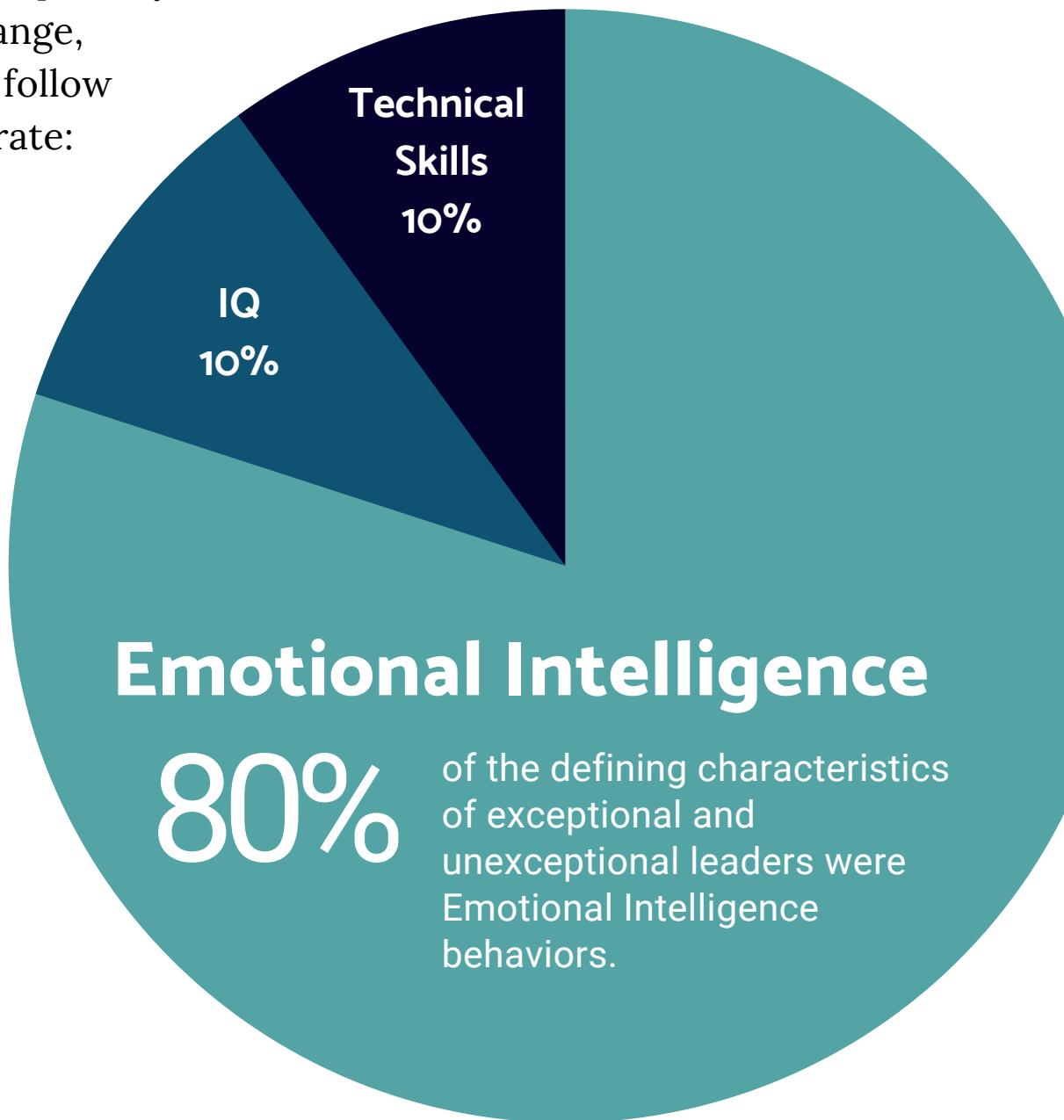
Fortunately, facilitating connection is a learnable skill.



What Skills Do Leaders Need?

Research shows that, especially in times of crisis and change, organizations tend to follow leaders who demonstrate:

- Awareness
- Vulnerability
- Empathy
- Compassion
- Trust
- Stability
- Hope
- Empowerment
- Calmness
- Honesty
- Optimism



"A leader's level of Emotional Intelligence is what defines his or her impact on a team."

Source: Institute for Health and Human Potential, "What we've learned from twenty years of asking people about exceptional leaders", 2019, p.1.



EI for All Levels

Even the most robust strategies and contingency plans on paper will not inoculate an organization from difficult times if its people are overwhelmed and unprepared.

That is why Emotional Intelligence is not just a requirement for leaders in the new normal.

All team members must be able to bring the organization's culture and values to life and perform at a consistently high level every day.



Hallmarks of an Emotionally Intelligent Organization

1. There is a strong sense of trust.

Transparency and accountability are pillars of trust. On high-trust teams, people are open to asking for help, admitting mistakes, and sharing concerns. Team members commit to authentic collaboration, give credit and recognize peers, and communicate often. No need for micromanaging on these teams.

2. People can have difficult conversations.

Whether there are sensitive topics to discuss or heightened emotions at play, if your people have a common language to provide feedback, share doubts, and solve problems together, your organization is well-positioned for success in the new normal.

3. Teams are unafraid to take initiative.

This is a clear sign of psychological safety. An emotionally intelligent team will be able to take risks in order to innovate and learn. Furthermore, the ability to seek new opportunities, especially in times of uncertainty, is an indicator of the team's optimism and drive.

4. People play an active role in fostering diversity and inclusion.

People with high EQ are aware of their biases, able to empathize with people who are different from themselves, and able to regulate their own emotions and reactions. This creates an environment where people have a higher regard for inclusion, and actively strive for and seek diversity in backgrounds, ideas, and beliefs.

5. People are committed to the organization's goals and values.

Values are guiding principles for times like these. An organization that is motivated and engaged will uphold its values. Team cohesion is stronger, decisions are aligned and consistent, and people better understand and take pride in their impact on business priorities.

6. Curiosity is common.

If people are consistent in asking thoughtful questions, seeking constructive criticism, and showing patience when listening, the organization likely has a learning culture. Curiosity counters stress and negative thinking, which only increases the resilience of both the individual and the organization.

Key Skills to Develop Across Your Organization

★ Assess for Gaps

How would your organization currently rank on the following 11 EI competencies?

1. Self-Assessment

- Ability to objectively assess one's strengths and weaknesses.
- The willingness to make adjustments, listen to feedback, and share self-perceptions.

2. Emotional Self-Awareness

- Stay in touch with one's emotions and balance both reason and emotion when making decisions.
- Recognize the impact of emotions when interacting with others.

3. Self-Regard

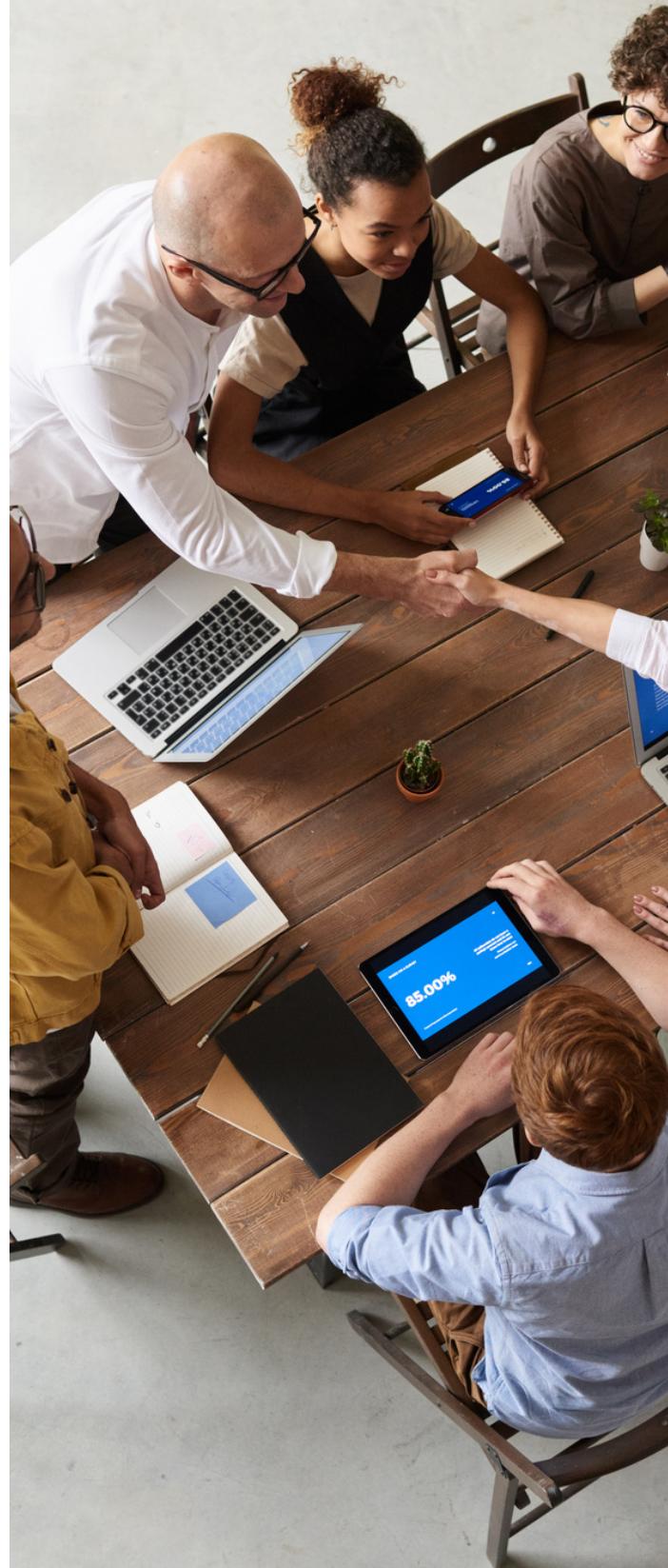
- Ability to maintain a strong sense of identity and purpose.
- The ability to convey a sense of confidence, conviction, and decisiveness.

4. Optimism

- Ability to maintain a positive and resilient attitude in the face of challenge.

5. Impulse Control

- Ability to respond to stressful situations by maintaining a calm and professional demeanor.
- Staying focused and taking the time to carefully weigh options for action.



Key Skills to Develop Across Your Organization

6. Adaptable/Flexible

- Ability to respond to change with an open mind.
- Ability to consider alternative paths of action and modify behavior to fit the demands of the situation.

7. Authenticity

- Ability to express oneself openly and honestly in a consistent and forthright manner.

8. Personal Drive

- Ability to maintain high levels of energy and commitment to tasks even when faced with challenges.

9. Empathy

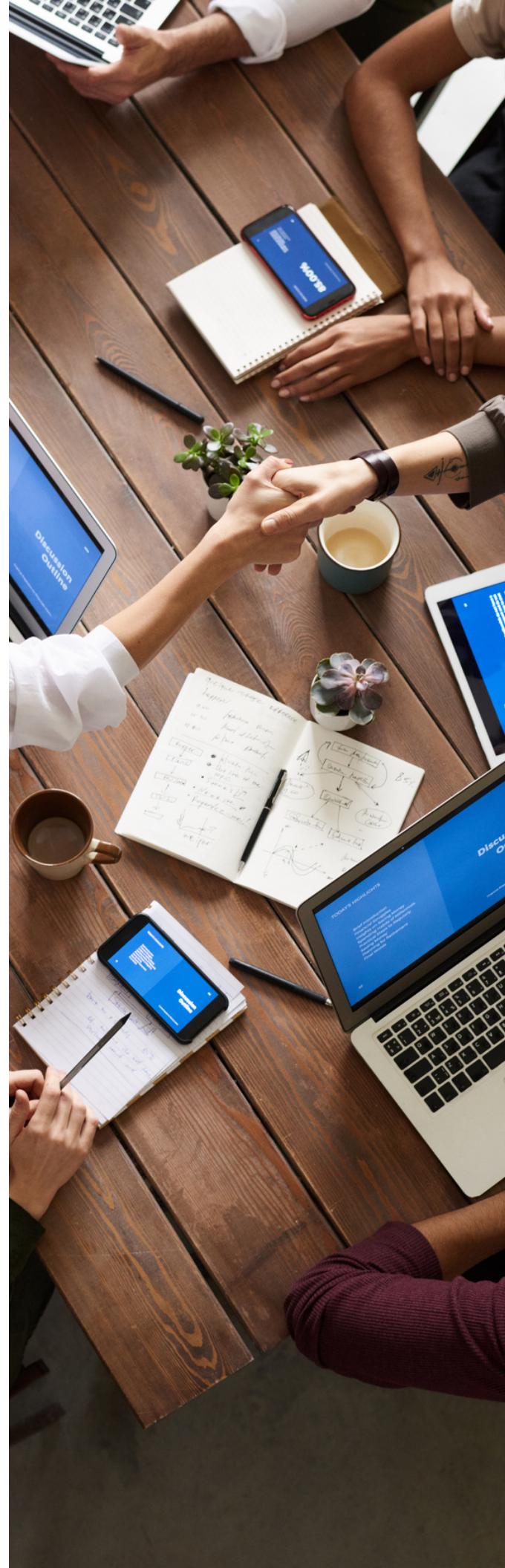
- Ability to tune into others' feelings.
- Listening effectively and seeing things from others' perspectives.

10. Communication

- Ability to share information by providing articulate descriptions.
- Fully exploring facts and feelings, and ensuring understanding.

11. Coaching Others

- Ability to guide others toward goal achievement by clarifying the task and providing direction
- Outlining an approach and offering ongoing support and feedback.





Can you afford to delay or defer Emotional Intelligence development?

Rather than adapting to and eventually overcoming the challenges we currently face, organizations risk succumbing to them if they do not recognize the importance of developing their people's Emotional Intelligence capabilities.

Disruptive behaviors, inefficiencies, and long-term costs will emerge, inhibiting the organization's potential. Risks include:

- A rise in costs associated with managing mental health
- Inability to identify and capitalize on growth opportunities
- Difficulty adjusting to and optimizing digital/remote work
- Polarized teams, low morale, and weakened culture

Unleash the Power of Emotional Intelligence to Work Better. Together.

At IHHP, we help you harness the emotions that stand in the way of building trust, collaboration, and engagement across the organization.

We function as an extension of your team, ensuring that your people build the skills of Emotional Intelligence so everyone can perform at their best, even during great challenge and change.

Would you like to learn more about how you can bring our science-based training to your organization? Email learning@ihhp.com to get in touch with one of our experienced Learning Consultants who will work with you to determine the best program solutions to meet your organization's needs.

Interested in assessing our training?

[Click here to learn more.](#)



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