CHAPTER ONE

Working With Emotional Intelligence

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Read the Review

The New Yardstick

The rules for work are changing. We're being judged by a new yardstick: not just by how smart we are, or by our training and expertise, but also by how well we handle ourselves and each other. This yardstick is increasingly applied in choosing who will be hired and who will not, who will be let go and who retained, who passed over and who promoted.

The new rules predict who is most likely to become a star performer and who is most prone to derailing. And, no matter what field we work in currently, they measure the traits that are crucial to our marketability for future jobs.

These rules have little to do with what we were told was important in school; academic abilities are largely irrelevant to this standard. The new measure takes for granted having enough intellectual ability and technical know-how to do our jobs; it focuses instead on personal qualities, such as initiative and empathy, adaptability and persuasiveness.

This is no passing fad, nor just the management nostrum of the moment. The data that argue for taking it seriously are based on studies of tens of thousands of working people, in callings of every kind. The research distills with unprecedented precision which qualities mark a star performer. And it demonstrates which human abilities make up the greater part of the ingredients for excellence at work--most especially for leadership.

If you work in a large organization, even now you are probably being evaluated in terms of these capabilities, though you may not know it. If you are applying for a job, you are likely to be scrutinized through this lens, though, again, no one will tell you so explicitly. Whatever your job, understanding how to cultivate these capabilities can be essential for success in your career.

If you are part of a management team, you need to consider whether your organization fosters these competencies or discourages them. To the degree your organizational climate nourishes these competencies, your organization will be more effective and productive. You will maximize your group's intelligence, the

synergistic interaction of every person's best talents.

If you work for a small organization or for yourself, your ability to perform at peak depends to a very great extent on your having these abilities--though almost certainly you were never taught them in school. Even so, your career will depend, to a greater or lesser extent, on how well you have mastered these capacities.

In a time with no guarantees of job security, when the very concept of a "job" is rapidly being replaced by "portable skills," these are prime qualities that make and keep us employable. Talked about loosely for decades under a variety of names, from "character" and "personality" to "soft skills" and "competence," there is at last a more precise understanding of these human talents, and a new name for them: emotional intelligence.

A Different Way of Being Smart

I had the lowest cumulative grade point average ever in my engineering school," the codirector of a consulting firm tells me. "But when I joined the army and went to officer candidate school, I was number one in my class--it was all about how you handle yourself, get along with people, work in teams, leadership. And that's what I find to be true in the world of work."

In other words, what matters is a different way of being smart. In my book *Emotional Intelligence*, my focus was primarily on education, though a short chapter dealt with implications for work and organizational life.

What caught me by utter surprise--and delighted me--was the flood of interest from the business community. Responding to a tidal wave of letters and faxes, e-mails and phone calls, requests to speak and consult, I found myself on a global odyssey, talking to thousands of people, from CEOs to secretaries, about what it means to bring emotional intelligence to work.

Over and over I heard what became a familiar litany. People like the high-performing business consultant with the low GPA told me they found emotional intelligence, not technical expertise or book learning, to be what mattered most for excellence. My book, they said, made it safe to speak up about the business costs of emotional ineptitude, and to question a narrow, expertise-is-all view of capabilities. They felt they now had a new way to think about what they wished for in their own workplaces.

People spoke with extraordinary candor about matters far beyond the reach of corporate PR radar. Many detailed what is not working (such tales of emotional ineptitude are retold here without revealing the person's or organization's identity). But many others told success stories, confirming the practical value of working with emotional intelligence.

And so began the two-year inquiry that has culminated in this book. The effort has woven together several professional strands from my own life. From the outset, I've relied on the methods of journalism to delve into the facts and to narrate my conclusions. I've also gone back to my professional roots as an academic psychologist, conducting an exhaustive review of the research that illuminates the place of emotional intelligence in high performance for individuals, teams, and organizations. And I've performed or commissioned

several new scientific analyses of data from hundreds of companies to establish a precise metric for quantifying the value of emotional intelligence.

This search has taken me back to research I participated in while a graduate student, and then faculty member, at Harvard University. That research was part of an early challenge to the IQ mystique--the false but widely embraced notion that what matters for success is intellect alone. This work helped spawn what has now become a mini-industry that analyzes the actual competencies that make people successful in jobs and organizations of every kind, and the findings are astonishing: IQ takes second position to emotional intelligence in determining outstanding job performance.

Analyses done by dozens of different experts in close to five hundred corporations, government agencies, and nonprofit organizations worldwide have arrived independently at remarkably similar conclusions, and their findings are particularly compelling because they avoid the biases or limits inherent in the work of a single individual or group. Their conclusions all point to the paramount place of emotional intelligence in excellence on the job--in virtually any job.

To be sure, these ideas are not new to the workplace; how people manage themselves and relate to those around them is central to much classic management theory. What's new is the data: We now have twenty-five years' worth of empirical studies that tell us with a previously unknown precision just how much emotional intelligence matters for success.

Another strand: In the decades since my own research in psychobiology, I have been tracking cutting-edge findings in neuroscience. This has allowed me to propose a foundation in brain science for the emotional intelligence model. Many businesspeople are traditionally skeptical of "soft" psychology and wary of the pop theories that come and go, but neuroscience makes crystal clear why emotional intelligence matters so much.

The ancient brain centers for emotion also harbor the skills needed for managing ourselves effectively and for social adeptness. Thus these skills are grounded in our evolutionary heritage for survival and adaptation.

This emotional part of the brain, neuroscience tells us, learns differently from the thinking brain. That insight has been pivotal in my development of this book--and leads me to challenge much conventional wisdom in corporate training and development.

I'm not alone in this challenge. For the last two years I have been working as cochair of the Consortium for Research on Emotional Intelligence in Organizations--a group of researchers from business schools, the federal government, and industry. Our research reveals deplorable weaknesses in how businesses train people in skills from listening and leadership to team building and handling change.

Most training programs have embraced an academic model--but this has been a drastic mistake, wasting millions of hours and billions of dollars. What's needed is an entirely new way of thinking about what it takes to help people boost their emotional intelligence.

Some Misconceptions

As I've toured the world talking and consulting with people in business, I've encountered certain widespread misunderstandings about emotional intelligence. Let me clear up some of the most common at the outset: First, emotional intelligence does not mean merely "being nice." At strategic moments it may demand not "being nice," but rather, for example, bluntly confronting someone with an uncomfortable but consequential truth they've been avoiding.

Second, emotional intelligence does not mean giving free rein to feelings--"letting it all hang out." Rather, it means managing feelings so that they are expressed appropriately and effectively, enabling people to work together smoothly toward their common goals.

Also, women are not "smarter" than men when it comes to emotional intelligence, nor are men superior to women. Each of us has a personal profile of strengths and weaknesses in these capacities. Some of us may be highly empathic but lack some abilities to handle our own distress; others may be quite aware of the subtlest shift in our own moods, yet be inept socially.

It is true that men and women as groups tend to have a shared, gender-specific profile of strong and weak points. An analysis of emotional intelligence in thousands of men and women found that women, on average, are more aware of their emotions, show more empathy, and are more adept interpersonally. Men, on the other hand, are more self-confident and optimistic, adapt more easily, and handle stress better.

In general, however, there are far more similarities than differences. Some men are as empathic as the most interpersonally sensitive women, while some women are every bit as able to withstand stress as the most emotionally resilient men. Indeed, on average, looking at the overall ratings for men and women, the strengths and weaknesses average out, so that in terms of total emotional intelligence, there are no sex differences.

Finally, our level of emotional intelligence is not fixed genetically, nor does it develop only in early childhood. Unlike IQ, which changes little after our teen years, emotional intelligence seems to be largely learned, and it continues to develop as we go through life and learn from our experiences--our competence in it can keep growing. In fact, studies that have tracked people's level of emotional intelligence through the years show that people get better and better in these capabilities as they grow more adept at handling their own emotions and impulses, at motivating themselves, and at honing their empathy and social adroitness. There is an old-fashioned word for this growth in emotional intelligence: *maturity*.

Emotional Intelligence: The Missing Priority

More and more companies are seeing that encouraging emotional intelligence skills is a vital component of any organization's management philosophy. "You don't compete with products alone anymore, but how well you use your people," a manager at Telia, the Swedish telecommunications company, put it to me. And Linda Keegan, vice president for executive development at Citibank, told me, "Emotional intelligence is the underlying premise for all management training."

It's a refrain I hear time and again:

[] The president of a hundred-person job shop in the aerospace industry tells me that one of the main companies he supplies, AlliedSignal, required that he and all his employees be trained in the ubiquitous "quality circle" approach. "They wanted us to work better as a team, which was great" he says. "But we've found it hard--how can you be a team if you're not a group first? And to bond as a group we needed to boost our emotional intelligence."

[] "We've been very effective at increasing profitability through methods like reengineering and speeding up the turnaround cycle for new products. But even with some big successes, our curve of improvement is flattening," a manager at Siemens AG, the German conglomerate, tells me. "We see the need to use our people better--maximize our human assets--to make the curve rise again. So we're trying to make the company more emotionally intelligent."

[] A former project manager at Ford Motor Company recounts how he used the "learning organization" methods developed at MIT's Sloan School of Management in redesigning the Lincoln Continental. He says that learning about emotional intelligence was a kind of epiphany for him: "Those are exactly the abilities we had to build up to make us an effective learning organization."

A 1997 survey of benchmark practices among major corporations, done by the American Society for Training and Development, found that four out of five companies are trying to promote emotional intelligence in their employees through training and development, when evaluating performance, and in hiring.

If so, why write this book? Because many or most organizations' efforts to encourage emotional intelligence have been poor, wasting vast amounts of time, energy, and money. For instance, the most systematic study ever done of the return on investment in leadership training (as we will see in Part 4) found that one well-respected week-long seminar for top-level executives actually had a slight *negative* effect on their job performance.

Businesses are waking up to the fact that even the most expensive training can go awry, and often does. And this ineptness comes at a time when emotional intelligence in individuals and organizations is emerging as a missing ingredient in the recipe for competitiveness.

Why This Matters Now

At a California biotech start-up, the CEO proudly enumerated the features that made his organization state-of-the-art: No one, including him, had a fixed office; instead, everyone carried a small laptop--their mobile office--and was wired to everyone else. Job titles were irrelevant; employees worked in cross-functional teams and the place bubbled with creative energy. People routinely put in seventy- and eighty-hour work weeks.

"So what's the downside?" I asked him.

"There is no downside," he assured me.

And that was the fallacy. Once I was free to talk with staff members, I heard the truth: The hectic pace had people feeling burned out and robbed of their

private lives. And though everyone could talk via computer to everyone else, people felt that no one was truly listening to them.

People desperately felt the need for connection, for empathy, for open communication.

In the new, stripped-down, every-job-counts business climate, these human realities will matter more than ever. Massive change is a constant; technical innovations, global competition, and the pressures of institutional investors are ever-escalating forces for flux.

Another reality makes emotional intelligence ever more crucial: As organizations shrink through waves of downsizing, those people who remain are more accountable--and more visible. Where earlier a midlevel employee might easily hide a hot temper or shyness, now competencies such as managing one's emotions, handling encounters well, teamwork, and leadership, show--and count--more than ever.

The globalization of the workforce puts a particular premium on emotional intelligence in wealthier countries. Higher wages in these countries, if they are to be maintained, will depend on a new kind of productivity. And structural fixes or technological advances alone are not enough: As at the California biotech firm, streamlining or other innovations often create new problems that cry out for even greater emotional intelligence.

As business changes, so do the traits needed to excel. Data tracking the talents of star performers over several decades reveal that two abilities that mattered relatively little for success in the 1970s have become crucially important in the 1990s: team building and adapting to change. And entirely new capabilities have begun to appear as traits of star performers, notably change catalyst and leveraging diversity. New challenges demand new talents.

Churning and the New Dread

A friend at a Fortune 500 company, one that had just downsized, letting thousands of employees go, told me: "It was terrible--so many people I've known for years were booted out, demoted, or transferred. It was hard for everybody. I still have my job, but I'll never feel the same about this place.

"I've been here thirty years, and over that time we were given the sense that as long as we put in a decent work day, the company would stand by us. Then, out of the blue, we were told, `No one is guaranteed a job here anymore.'"

It seems no one is guaranteed a job *anywhere* anymore. These are troubled times for workers. The creeping sense that no one's job is safe, even as the companies they work for are thriving, means the spread of fear, apprehension, and confusion.

One sign of this growing unease: An American headhunting firm reported that more than half of callers making inquiries about jobs were still employed--but were so fearful of losing those jobs that they had already started to look for another. The day that AT&T began notifying the first of forty thousand workers to be laid off--in a year when its profits were a record $4.7 billion--a poll reported that a third of Americans feared that someone in their household would soon lose a job.

Such fears persist at a time when the American economy is creating more jobs than it is losing. The churning of jobs--what economists euphemistically call "labor market flexibility"--is now a troubling fact of work life. And it is part of a global tidal wave sweeping through all the leading economies of the developed world, whether in Europe, Asia, or the Americas. Prosperity is no guarantee of jobs; layoffs continue even amidst a booming economy. This paradox, as Paul Krugman, an MIT economist, puts it, is "the unfortunate price we have to pay for having as dynamic an economy as we do."

There is now a palpable bleakness about the new landscape of work. "We work in what amounts to a quiet war zone" is the way one midlevel executive at a multinational firm put it to me. "There's no way to give your loyalty to a company and expect it to be returned anymore. So each person is becoming their own little shop within the company--you have to be able to be part of a team, but also ready to move on and be self-sufficient."

For many older workers---children of the meritocracy, who were taught that education and technical skills were a permanent ticket to success--this new way of thinking may come as a shock. People are beginning to realize that success takes more than intellectual excellence or technical prowess, and that we need another sort of skill just to survive--and certainly to thrive--in the increasingly turbulent job market of the future. Internal qualities such as resilience, initiative, optimism, and adaptability are taking on a new valuation.

A Coming Crisis: Rising IQ, Dropping EQ

Since 1918, when World War I brought the first mass use of IQ tests on American army recruits, the average IQ score in the United States has risen 24 points, and there has been a similar rise in developed countries around the world. The reasons include better nutrition, more children completing more schooling, computer games and puzzles that help children master spatial skills, and smaller family size (which generally correlates with higher IQ scores in children).

There is a dangerous paradox at work, however: As children grow ever smarter in IQ, their emotional intelligence is on the decline. Perhaps the most disturbing single piece of data comes from a massive survey of parents and teachers that shows the present generation of children to be more emotionally troubled than the last. On average, children are growing more lonely and depressed, more angry and unruly, more nervous and prone to worry, more impulsive and aggressive.

Two random samples of American children, age seven to sixteen, were evaluated by their parents and teachers--adults who knew them well. The first group was assessed in the mid-1970s, and a comparable group was surveyed in the late 1980s. Over that decade and a half there was a steady worsening of children's emotional intelligence. Although poorer children started out at a lower level on average, the rate of decline was the same across all economic groups--as steep in the wealthiest suburbs as in the poorest inner-city slum.

Dr. Thomas Achenbach, the University of Vermont psychologist who did these studies--and who has collaborated with colleagues on similar assessments in other nations--tells me that the decline in children's basic emotional competencies seems to be worldwide. The most telling signs of this are seen in rising rates among young people of problems such as despair, alienation, drug

abuse, crime and violence, depression or eating disorders, unwanted pregnancies, bullying, and dropping out of school.

What this portends for the workplace is quite troubling: growing deficiencies among workers in emotional intelligence, particularly among those newest to the job. Most of the children that Achenbach studied in the late 1980s will be in their twenties by the year 2000. The generation that is falling behind in emotional intelligence is entering the workforce today.

What Employers Want

A survey of American employers reveals that more than half the people who work for them lack the motivation to keep learning and improving in their job. Four in ten are not able to work cooperatively with fellow employees, and just 19 percent of those applying for entry-level jobs have enough self-discipline in their work habits.

More and more employers are complaining about the lack of social skills in new hires. In the words of an executive at a large restaurant chain: "Too many young people can't take criticism--they get defensive or hostile when people give them feedback on how they're doing. They react to performance feedback as though it were a personal attack."

The problem is not just in new workers--it's true for some seasoned executives as well. In the world of the 1960s and 1970s, people got ahead by going to the right schools and doing well there. But the world is full of well-trained, once-promising men and women who have plateaued in their careers--or worse, derailed--because of crucial gaps in emotional intelligence.

In a national survey of what employers are looking for in entry-level workers, specific technical skills are now less important than the underlying ability to learn on the job. After that, employers listed:

[] Listening and oral communication

[] Adaptability and creative responses to setbacks and obstacles

[] Personal management, confidence, motivation to work toward goals, a sense of wanting to develop one's career and take pride in accomplishments

[] Group and interpersonal effectiveness, cooperativeness and teamwork, skills at negotiating disagreements

[] Effectiveness in the organization, wanting to make a contribution, leadership potential

Of seven desired traits, just one was academic: competence in reading, writing, and math.

A study of what corporations are seeking in the MBAs they hire yields a similar list. The three most desired capabilities are communication skills, interpersonal skills, and initiative. As Jill Fadule, managing director of admissions and financial aid at the Harvard Business School, told me, "empathy, perspective taking, rapport, and cooperation" are among the competencies the

school is looking for in those who apply.

Outline of Book

My mission in writing this book is to act as a guide to the scientific case for working with emotional intelligence--as individuals, in groups, as organizations. At every step I have sought to validate the science with the testimony of people in jobs and organizations of all kinds, and their voices will be heard all along the way.

In Part 1 I make the case that emotional intelligence counts more than IQ or expertise for determining who excels at a job--*any* job--and that for outstanding leadership it counts for almost everything. The business case is compelling: Companies that leverage this advantage add measurably to their bottom line.

Part 2 details twelve specific job capabilities, all based on self-mastery--initiative, trustworthiness, self-confidence, and achievement drive among them--and describes the unique contribution each makes to star performance.

In Part 3 I turn to thirteen key relationship skills--such as empathy and political awareness, leveraging diversity, team capabilities, and leadership. These are the skills that let us, for instance, navigate the currents of an organization effortlessly while others founder.

Throughout, readers can get a rough sense of where they stand when it comes to working with emotional intelligence. As I will show in Chapter 3, star performance does not require us to excel in all these competencies, but rather that we be strong in enough of them to reach the critical mass for success.

Part 4 heralds the good news: Whatever competencies we may be weak in, we can always learn to be better. To help readers who want to improve their own emotional intelligence capabilities--and to avoid wasting time and money--I offer practical, scientifically grounded guidelines for the best ways of doing so.

Finally, Part 5 considers what it means for an organization to be emotionally intelligent. I describe one such company and show why such practices can help not just with business performance but also in making organizations satisfying and desirable to work for. I also show how companies that ignore the emotional realities of their employees do so at their own risk, while those organizations with emotional intelligence are best equipped to survive--and to do well--in the ever more turbulent years ahead.

Though my aim is to be helpful, this is not a self-help book. There are perhaps too many how-to books promising far too much about improving emotional intelligence. Though these books are no doubt well intended, they typically perpetuate misconceptions about what upgrading these most essential capacities truly demands. Instead of quick fixes, you will find here sound guidelines for the real work of becoming more emotionally competent. These guidelines represent a level-headed survey of new thinking, research findings, and model practices from organizations around the world.

We live in a time when our prospects for the future increasingly depend on managing ourselves and handling our relationships more artfully. My hope is to offer some practical guidance for the crucial personal and business challenges we all face in the coming century.