EI AND WHY IT MATTERS IN ASIA

EQ and Leadership in Asia by Sebastian Henry, 2011.

"Many studies present massive evidence that EI is crucial in leadership. It is even more crucial in Asia, where emotions tend to be more hidden below the surface of daily business interactions. Emotions are precious assets for a leader when wisely used, and become a source of disruption if ignored.

WHAT IS EMOTIONAL INTELLIGENCE?

Emotional intelligence is mainly the ability to identify and use emotions resourcefully within ourselves as well as in others. Emotions are like the weather: they are always around, and they always change. It requires some particular skills to handle them.

The concept of emotional intelligence was first developed in the 1980s by a group of academics, who began investigating this subject because they were curious about the results of traditional IQ tests. IQ tests were first developed in the early 20th century to meet the needs of mass military recruitment: to have an initial idea of the intelligence level of candidates through standardized tests in order to save time and resources in placement."
Over time, more and more evidence emerged that IQ tests were not really fulfilling the expectations their developers and users had placed on them. What puzzled researchers is that some people with high IQ were failing, and some lower-IQ people were highly successful. At some point, it became clear that other factors were missing. 1

Daniel Goleman, with his book *Emotional Intelligence* (1995), popularized the idea that the main missing factor was emotional intelligence. 2

Since then, most researchers in the field would operate from the view that logical intelligence (IQ) and technical skills are prerequisites to success in a position (meaning that there is no way to achieve success without them), but that it is emotional intelligence that really makes a difference. In other words, IQ and technical skills are seen as mere “threshold competencies.”

The impetus given by this initial work has translated into very active research, still going on today. Conferences are regularly held around the world, mixing academics and consultants specializing in measuring, assessing, and developing emotional intelligence both in business and in education.

To have an idea of how active the field is, you can visit the site of the EI Consortium, an organization initiated by a group of academics specializing in emotional intelligence (www.eiconsortium.org). The site will provide lots of useful information, especially in the sections headed “The Business Case for EI” and “Guidelines for Best Practices.”

**WHY DOES EMOTIONAL INTELLIGENCE MATTER FOR LEADERS?**

What truly matters to you as a leader?

When speaking of emotional intelligence in business, most people would immediately raise one question: does EI contribute to business performance? This is a legitimate question, and one that has been researched extensively.

At the same time, this question implies that business performance is what matters most to a leader. While business performance is certainly essential, most of my clients consider some other dimension just as important as delivering results. Examples of these are feeling good about yourself, growing as a person, enjoying your work, and building
healthy relationships with your peers and team members. So EI matters for many reasons other than just business performance.

Nonetheless, a closer look at EI and business performance is worthwhile.

How does EI relate to a manager’s performance, to staff motivation, and to staff retention? Is there some evidence that EI-based programs can be used successfully to help organizations reach higher levels of performance?

Emotional intelligence is a relatively new concept, but it refers to skills that are not new. The role of emotions in human behavior has been studied for a long time. But in the past 10 years, two important things have happened:

First, emotional intelligence skills have been investigated in a systematic way and in a degree of detail that was hard to find in the past two centuries, at least in the West.

Second, more and more research is being done on how EI-based programs can be applied to benefit business and improve performance, motivation, and staff retention. Some research has been conducted with major companies such as Johnson & Johnson, L’Oreal, American Express, and AT&T.

What are the main findings of this research? Clearly, there is ever-stronger evidence that EI plays a significant role in business performance. Measuring the exact extent of this role is particularly tricky, but to most individual leaders I have worked with, this is a strong enough call for action to develop themselves further.

Consider for instance a comprehensive survey on engagement conducted in 2004 by the Corporate Leadership Council (CLC). According to this survey, engagement, which translates into what the CLC calls “discretionary effort,” accounts for roughly 40 percent of observed performance improvements.

So if engagement is so important, what determines engagement? The CLC compared emotional commitment to rational commitment. And there was a clear conclusion that emotional commitment made much more difference than rational commitment, as indicated in Figure 2.1. Paying attention to our own emotional state and that of others will have a positive impact on the emotional commitment of the people we work with and as a result on their performance.
FIGURE 2.1 Impact of Commitment Types on Discretionary Effort


EI AND BUSINESS PERFORMANCE: RESULTS FROM ACADEMIC RESEARCH

Note: It is important to remain aware that none of these findings should be taken as proof. They are simply indicators—but they’re all pointing in the same direction: EI has a significant role to play in business performance. Some authors in the EI field would boldly assert that EI accounts for 30 percent (or more) of overall performance, but it is hard to find evidence for such precise figures.

Top performers in management positions have significantly higher EI than average performers.

For instance, Egon Zehnder International, one of the leading executive search companies, conducted a study covering 515 executives in Latin America, Germany, and Japan. Results showed that those who were primarily strong in emotional intelligence were more likely to succeed than those whose strengths lay elsewhere. Specifically, high EI was associated with 74 percent of the successes and only 24 percent of the failures. In
separate research, the Center for Creative Leadership found that a deficit in emotional competence is a major cause of executive derailment.

There are now many studies that point to the same conclusion for all kinds of positions, ranging from executives to salespeople.

*Effective leaders have relatively higher EI.*

A study conducted at the University of South Africa with an insurance company showed that leaders ranking high on the Multifactor Leadership Questionnaire, a 360-degree assessment of leadership skills, also had a high score on the emotional intelligence assessment.

*Recruiting high-EI employees upfront can lead to better performance and lower staff turnover after one year, saving the company considerable costs.*

At L’Oreal, high-EI sales agents appeared to outperform the average by more than US$90,000 a year, and they had 63 percent less turnover during the first year than those selected without prior EI assessment. Also, in a study conducted in 1999 by McClelland at a large beverage firm, the turnover of executives within two years fell sharply (from 50 percent to 6 percent) after executives started being recruited based on emotional competencies. Some similar results have been found at the U.S. Air Force for recruiters, and by the Hay/McBer Research and Innovation Group for sales reps at a computer company.

*Regarding the effectiveness of EI-based development programs in organizations, little research has as yet been done.*

There are actually very few studies that deliver forceful conclusions on the effectiveness of EI development programs, for several reasons:

- Most companies are not willing to share their data.
- Few companies put a high value on the evaluation phase.
- Most training vendors don’t set the evaluation as a priority themselves.

Of course, this lack of evidence is not specific to EI-based training programs. All programs dealing with softskills, including leadership programs, face the same issue.

For more details on this, an excellent book to read is *Linking Emotional Intelligence and Performance at Work: Current Research Evidence with Individuals and Groups*, by Gerald Mount, Fabio Sala, and Vanessa Urch Druskat.
WHY EI IS PARTICULARLY CRUCIAL IN ASIA

Emotions are living matters and precious resources for artists. But in a corporate environment, they tend to be forced underground. Many business leaders tend to believe that it is best to leave them at the gate.

This tendency to suppress one’s own emotions and discourage the expression of emotions in others is even stronger in the business environment of Asia than it is in the West. Emotional behaviors are not commonly encouraged in Asian cultures, including the Japanese and Chinese cultures I know best.¹

The key point is not whether this approach to emotions is justified or not. It should be treated by a leader in Asia more like a fact, pretty much like the weather. But just because emotions are not expressed, that does not mean they do not exist. Actually, the opposite might be true.

For example, imagine someone on your team feels that he has been treated unfairly. Outside Asia, chances are you will hear about it soon, or at least you will see enough signs to be able to figure it out. But in Asia, it is likely that you will get fewer signals, and that each of these signals will be weaker than what a Western counterpart would send.

The team member will vent his frustration to his spouse, his friends, and probably also a few colleagues. But none of these waves will reach you, and the frustration may be brewing for months without you having the slightest clue about it until the overt symptoms grow big enough for you to see: decreased engagement or quality of work, or a resignation letter on your desk. . . .

Having been married to a Chinese lady working for a Western multinational company was very instructive to me on that aspect. On a very regular basis, she would share devastating observations about her bosses with me, accompanied with frustration and sometimes anger. Her bosses had no idea about how she felt because she would not express anything to them.

At that time, I was working with teams in Hong Kong, China and Japan. That got me thinking seriously: “If my wife’s bosses have no idea about how their subordinates are feeling, am I really sure that the same is not happening to me?” And the sad truth was that I was not sure at all, no matter how earnestly I tried to build healthy relationships with my teams.
Watch Out: Icebergs All Around!

Each individual can be compared to an iceberg—like the one in Figure 2.2, for example. Above the surface is what can be seen in that individual. Below the surface is what can’t be seen.

What can we really see in others? Mainly what they do (behaviors), say (in our hearing), and the way they move (body language). This is quite a lot already. But what can’t we easily see or observe? There are far more here: thoughts, values, beliefs, and emotions.

The submerged part of an iceberg is the most dangerous. That was what destroyed the Titanic, a huge ship that was specifically designed to be impossible to sink. It might just destroy your own ship: your relations with your key direct reports, your team members, and your organization.

Keep in mind that you, as a leader, are an iceberg too. And you are surrounded by other icebergs in your organization. Your peers, team members, and bosses are all icebergs.

It is crucial for you to find out what is going on below the surface, particularly in your team members. If you don’t do this, you run the risk of being presented with bad surprises, just like the captain of the Titanic. I regularly hear of cases of leaders shocked by the decision of one of their key team members to leave their company or their team, a move that caught them completely by surprise.\(^4\)
FIGURE 2.3 Diving Deep

On the positive side, the potential benefits are massive: spending a reasonable amount of time attuned to what is below the surface in your team members could do a great deal to help you create high engagement in your team members (see Chapter 10 for more details on this process).

It has to be done before the problems become obvious, as most communication between human icebergs typically happens at the surface level: we talk about goals, action to be taken, and problems to be solved. Going below the surface requires a conscious decision, so step back and dive! (See Figure 2.3.)

At this point, I frequently hear three objections:

- “It takes so much time. I can’t afford to spend too much time on doing this.” While this is understandable, what is it that you really can’t afford? What you really can’t afford is to hit the lower part of the iceberg and sink your ship. As for the time issue, it can be done in a relatively short time, as described in Chapter 3—much less time than you could imagine. The chapter also discusses the conditions to encourage your people to open up.
- “I am not paid for that. And I am not a therapist.” True, you are not a therapist. But as the captain of the ship, you get paid to keep the best people in your crew, engage them, and help them grow.
If emotions under the waterline prevent you from achieving this, you are not doing what you get paid for.

- “I am doing it already, of course.” Well, perhaps you are. I don’t know you, after all. My experience is just that many leaders don’t actually do it enough. Just take a few minutes to answer the questions in the next practice section.

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**PRACTICE TIME**

Select three of your direct reports. If you have Asian subordinates, include at least one of them. Then remember the last time you had a conversation with each of these people when you spent some time in the lower part of their personal iceberg. Circle the corresponding time for each one.

- **Direct report one:**
  
  A few days ago—One week ago—One month ago—Two to three months ago—Six months ago—One year ago—More than one year ago—Can’t even remember!

- **Direct report two:**
  
  A few days ago—One week ago—One month ago—Two to three months ago—Six months ago—One year ago—More than one year ago—Can’t even remember!

- **Direct report three:**
  
  A few days ago—One week ago—One month ago—Two to three months ago—Six months ago—One year ago—More than one year ago—Can’t even remember!

Then imagine that you are each of these direct reports and complete the following sentences from their perspective.

- **Direct report one:**
  
  X (you!) as a leader is (come up with four or five adjectives)

(Continued)
Working with X, I feel (come up with two or three emotions from the list of emotions introduced in Figure 8.1)

Direct report two:
X (you!) as a leader is (come up with four or five adjectives)

Working with X, I feel (come up with two or three emotions from the list of emotions)

Direct report three:
X (you!) as a leader is (come up with four or five adjectives)

Working with X, I feel (come up with two or three emotions from the list of emotions)

Was it hard for you to answer these questions? If yes, I would like to challenge you. It should not be. It is probably a sign that you need to spend a bit more time below the surface.

Now, if you see a gap between what you found out and what you would like people to have said, take the time to complete a few more lines. This time it is about what you would like them to say about you.

X (you!) as a leader is (come up with four or five adjectives)

Working with X, I feel (come up with two or three emotions from the list of emotions)
Another reason EI is particularly crucial in Asia has to do with the relative scarcity of talent in Asia. There are of course many talented people in Asia—just not enough compared with the need. The present crisis, however serious, won’t change the fact that the best companies are struggling hard to get high-quality people and keep them. High-quality employees still have lots of options in hand, and if they don’t like their leaders, they are going to take action much faster than their counterparts in the United States and Europe.

Chapter 3 provides a closer look at the various facets of emotional intelligence.

RESOURCES TO GO DEEPER . . .

Corporate Leadership Council:
https://clc.executiveboard.com/Public/CurrentResearch.aspx

Now, Discover Your Strengths, by Marcus Buckingham and Donald O. Clifton

Emotions at Work: Normative Control, Organizations, and Culture in Japan and America (Harvard East Asian Monographs) by Aviad E. Raz

Emotions in Asian Thought: A Dialogue in Comparative Philosophy, by Roger T. Ames, Joel Marks, and Robert C. Solomon (very academic)

Linking Emotional Intelligence and Performance at Work: Current Research Evidence with Individuals And Groups, by Gerald Mount, Fabio Sala, and Vanessa Urch Druskat (very academic)

Emotional Intelligence: Why It Can Matter More Than IQ, by Daniel Goleman

The Psychology of the Chinese People, by Michael Harris Bond (very academic)

Unmasking Japan: Myths and Realities about the Emotions of the Japanese, by David Matsumoto