

THE EI ADVANTAGE

Driving Innovation and
Business Success through the
Power of Emotional Intelligence

SPONSOR PERSPECTIVE



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Organizational change is hard, and cultural change is even harder. Competition for talent across the world is increasing, and organizations are struggling to keep pace with the expectations of a new generation of employees. And while leaders often talk about the importance of corporate culture, there are a myriad of other factors that can fairly quickly push the culture piece to the wayside. But with changing expectations and new thresholds for transparency, the evolution of the modern workplace requires a paradigm shift and a disruption of the status quo.

In our view, this necessary disruption will be driven by a renewed, unabashed focus on the power of emotional intelligence (EI).

Nearly 60 years ago, Four Seasons founder and chairman Isadore Sharp began building a hotel company based on a foundation of trust and mutual respect. These values would eventually form the company's guiding philosophy of the Golden Rule: to treat others the way you would want to be treated. Mr. Sharp recognized early on that treating our employees as we would want them to treat our guests meant delegating authority as well as responsibility, empowering employees across all levels of the organization. It is the doorman, front desk clerk, concierge, and housekeeper who bring the Golden Rule to life on a daily basis, creating the Four Seasons experience that we all know and love.

Simply stated, much of the success of Four Seasons is built on the emotional intelligence of our employees. We often say that we "hire for attitude and train for skill," and by recognizing EI as a critical success factor and by embedding it within our corporate culture, Mr. Sharp created a sustainable competitive advantage in a fiercely competitive industry.

And while we have a history and track record we're proud of, we know there is more we can do. We continue to push ourselves—from the C-suite to the front lines—to prioritize emotional intelligence and implement meaningful programs and practices that foster the powerful employee and customer connections that are at the heart of our brand.

Emotionally intelligent employees build strong bonds with customers and enhance organizational performance and profitability, and the trajectory of Four Seasons strongly suggests that the "EI advantage" is both real and powerful. With this in mind, we wanted to look beyond our own experience to better understand the role EI plays in the workplace. To do so, we worked with Harvard Business Review Analytic Services to conduct research among a wide range of organizations around the world. The global results are presented in the accompanying research report, "The EI Advantage: Driving Innovation and Business Success through the Power of Emotional Intelligence."

By publishing this study, we continue to engage in this important discourse and affirm the values and business practices that have contributed to the success of Four Seasons. We hope it inspires critical discussion and encourages others to consider how emotional intelligence can boost employee and customer satisfaction, loyalty, and trust—and perhaps ignite a global EI conversation that firmly puts corporate culture and, fundamentally, people at the center of business progress and prosperity.

THE EI ADVANTAGE

Driving Innovation and Business Success through the Power of Emotional Intelligence

Whether in the C-suite or on the front lines, emotionally intelligent employees are a critical force driving innovation and enhanced customer experiences that come from a strong culture of empowerment. Emotional intelligence (EI) is increasingly and urgently recognized as a competitive advantage for companies that want to cultivate a purpose-driven workforce for the future. And while many companies talk about the primacy of EI, many fail to leverage it in any way. News of challenging corporate cultures has become painfully common. Even in the lauded environments of today's most admired brands, embarrassing videos go viral, executives are ousted and insider reports paint a picture that is anything but human-centered.

Corporate cultures that lack EI are becoming a major liability as business environments change. Today, decisions are made so quickly that organizations can no longer rely on time-consuming top-down decision making and orders dictated from above. More often, individuals must collaborate with each other to solve problems and develop innovative solutions on their own. To do so requires the mastery of interpersonal skills that are often downplayed as “nice to have” soft skills. Mastery of interpersonal skills has become more critical as employees, particularly those on the front lines, make decisions that can seriously impact a brand's reputation and its connection to customers.

Outstanding interpersonal and leadership skills are a “must have” if organizations are going to keep pace with their competitors and the social cultures they inhabit. EI has been the traditional mainstay of empowered, engaged, and energetic corporate cultures. The combination of self-awareness, self-control, empathy, and social skills is the bedrock of the ability to deepen personal relationships and create an environment where people can comfortably innovate, solve problems together, and feel empowered to serve as ambassadors and champions for their brand on the front lines.

HIGHLIGHTS

Only 18%

OF RESPONDENTS STRONGLY AGREE THAT THEIR ORGANIZATIONS HAVE ENGRAINED EI IN THEIR CULTURES.

37% vs. 8%

OF EMOTIONALLY INTELLIGENT ORGANIZATIONS REPORT SIGNIFICANTLY STRONGER CUSTOMER EXPERIENCES AND HIGHER LEVELS OF CUSTOMER LOYALTY (40% VS. 12%) AND CUSTOMER ADVOCACY (31% VS. 8%).

64%

OF EMOTIONALLY INTELLIGENT COMPANIES HAVE A HIGH DEGREE OF EMPOWERMENT AND TOLERANCE FOR RISK.

Nearly 70%

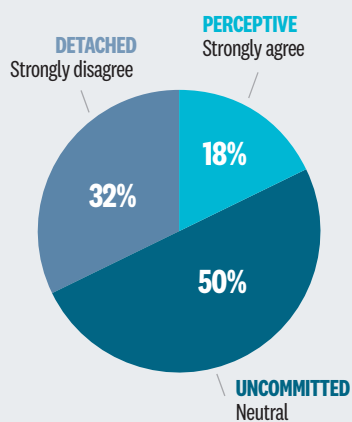
OF ORGANIZATIONS MEASURE EMPLOYEE SATISFACTION. ONLY 10% ASSESS COMPANY-WIDE EI SKILLS.

COMPANIES PUTTING AN EMPHASIS ON EI HAVE A GREAT DEAL TO SHOW FOR THEIR EFFORTS. THEY ARE THE PERCEPTIVE ORGANIZATIONS.

FIGURE 1

WHO LEADS IN EI?

The extent to which respondents agree with the statement “Emotional intelligence is an engrained aspect of our organization’s culture”



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, MAY 2018

However, a new global study from Harvard Business Review Analytic Services found that only very few companies are focused on developing and empowering EI skills. But the survey also found that companies putting an emphasis on EI have a great deal to show for their efforts. They are the Perceptive organizations, and they report higher levels of productivity and employee engagement than those who under-invest in or ignore EI. This advantage gives them an innovation premium through stronger customer loyalty and profitability.

Equally important, leading EI organizations are the most successful at embedding a purpose beyond financial goals. This focus has become essential as the influence of the Millennial generation grows and all employees increasingly want to feel a sense of inclusion and a social or personal meaning behind their work. Purpose sparks excitement and is central to cultures marked by engaged, innovative, and productive employees. In study after study, poor corporate cultures and those with languid purposes are often the primary obstacle standing in the way of everything from achieving digital transformation to creating exemplary customer experiences.

While some organizations are embracing EI skills, most are giving EI only limited attention—at their own peril. According to the survey, sidelining EI can have significant consequences, including low productivity, lukewarm innovation, and an uninspired workforce.

Through interviews with executives and experts, this report clearly underscores the power of emotional intelligence and the myriad benefits reaped by those organizations that prioritize it. The report delves into what stands in the way of more

robust EI development, and how senior executives can move forward and reenergize their cultures if EI has gone astray—and innovation and productivity along with it.

The Detached Outnumber the Perceptive

Fewer than one-fifth of companies qualify as emotionally intelligent. They are the Perceptive organizations. To determine which companies should be in those ranks, the survey asked respondents to indicate to what extent emotional intelligence is an ingrained aspect of their company’s culture. The Perceptive are the organizations with respondents who strongly agreed that it was. Roughly one-half of the survey audience are identified as Uncommitted (who agreed somewhat or remained neutral) and one-third as Detached (who strongly and somewhat disagreed). [FIGURE 1](#)

When respondents were asked about the importance of interpersonal skills, the study found a strong disconnect between employees and the companies they work for. Most employees place a high value on skills such as self-awareness, empathy, and sense of humor. But they feel that their organizations place little or almost no value on these skills. Hard traits such as mental toughness, drive, and analytical ability are deemed the most important, often by wide margins. [FIGURE 2](#)

Earning the EI Innovation Premium

Organizations with high levels of EI capabilities often have very creative teams. Team members are comfortable in understanding themselves and each other. They are also able to be upfront about their beliefs, which brings multiple perspectives to bear on challenges and leads to innovative solutions.

EI gives companies an innovation premium that comes from producing better solutions than competitors can muster. Perceptive organizations, for example, are much more likely than others to have cultural ingredients that spur innovation—high degrees of empowerment, clear decision rights, the right incentives, and tolerance for risk. **FIGURE 3**

Annie McKee, author of *Resonant Leadership* and program director and senior fellow at the University of Pennsylvania School of Education, believes that when all EI skills come together, they can form a virtuous circle that boosts an organization’s innovation energy. “When individuals are self-aware and feel more in control of their responses to situations and able to read people, groups, and cultures, then they can act on knowledge in very productive ways,” she says. “You get advocacy, empowerment, and collective risk-taking.”

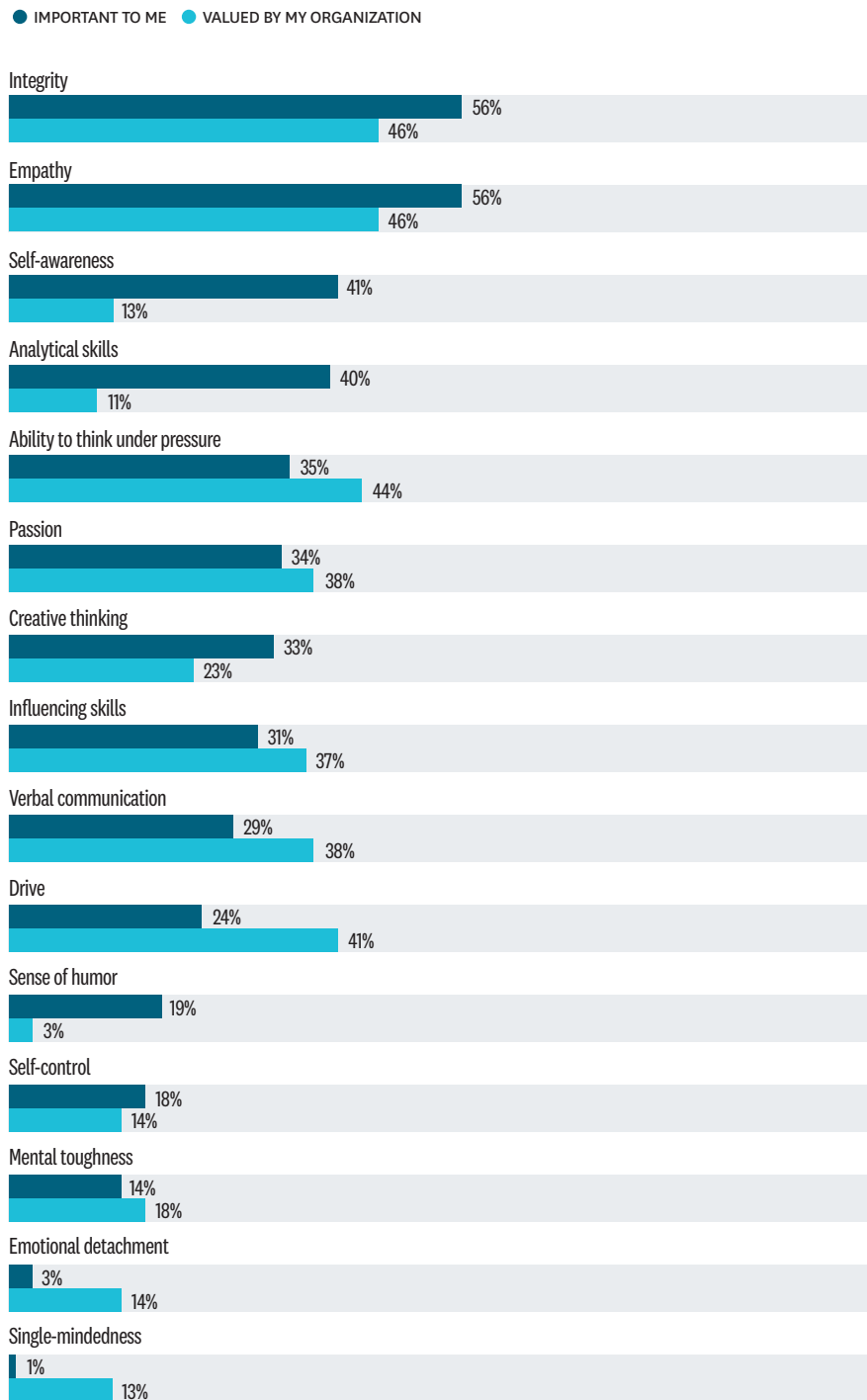
EI is central to building higher comfort levels with risk. Ahmed Elzohiry, senior manager in charge of outsourcing and risk at the Canadian digital bank Tangerine, says EI plays a significant role in mitigating risk through trust. High degrees of trust spark the innovation necessary to be a disruptor in the banking industry. When heated discussions arise around risk, teams can work smoothly through disagreements and deal with risk in a responsible way. That ability, according to Elzohiry, builds confidence on the part of senior management, who are then more comfortable empowering individuals.

Jean Greaves, cofounder and CEO of consultancy TalentSmart and author of *Emotional Intelligence 2.0*, further points out that the ability to build self-awareness is essential to making organizations less risk averse. “Employees have absorbed attitudes and stories about the consequences of failure in their organizations,” she says. “Those beliefs can make employees highly suspicious of efforts to increase experimentation. But raising self-awareness can ferret out those beliefs, allowing new attitudes to take their place.”

FIGURE 2

ORGANIZATIONS STRONGLY VALUE HARD TRAITS

Percentage of respondents who included the traits below in the top five most important to them and to their organizations

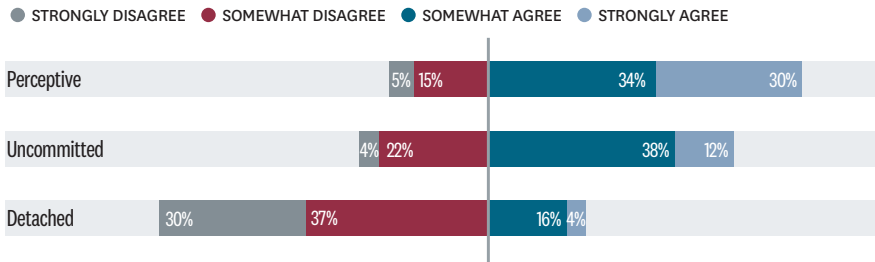


SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, MAY 2018

FIGURE 3

PERCEPTIVE ORGANIZATIONS ARE EMPOWERED AND RISK TOLERANT

The extent to which respondents agree with the statement “My organization offers a high degree of empowerment with clear decision rights, incentives, and risk tolerance”

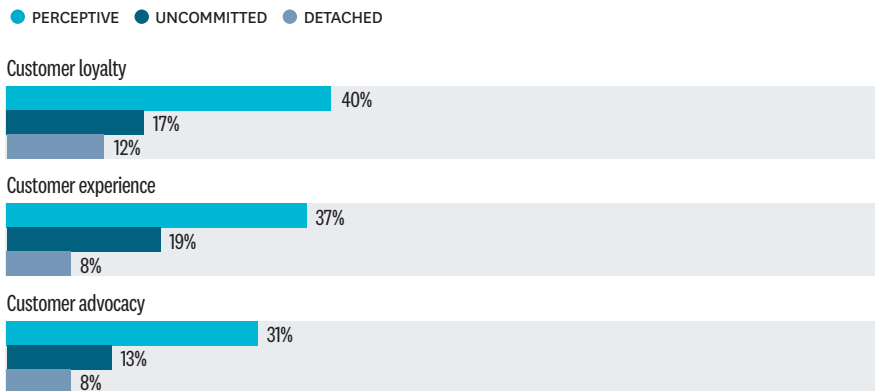


SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, MAY 2018

FIGURE 4

PERCEPTIVE ORGANIZATIONS ARE WELL AHEAD ON CUSTOMER EXPERIENCE, LOYALTY, AND ADVOCACY

Percentage of respondents stating their organization is “much stronger” than their competitors in each of the following areas



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, MAY 2018



PERSONAL DIALOGUE IS ESSENTIAL TO BEING SOCIALLY AWARE IN A SUBSTANTIVE WAY IN ORDER TO EFFECTIVELY MANAGE RELATIONSHIPS.

The proof is in the pudding. When company cultures embrace risk and build strong interpersonal skills, employees are more engaged, which leads to better products, services, and experiences for customers. Indeed, Perceptive organizations have significantly stronger customer experiences and higher levels of loyalty and advocacy than the Uncommitted or Detached organizations. [FIGURE 4](#)

Making Purpose Produce

The importance of corporate purpose beyond the bottom line can't be overstated. Although often thought of as a Millennial expectation, the growing need for meaning in work and a clear role for corporations in improving life and society spans multiple generations. “Gen Xs, people in the 35 to 55 age range, want purpose,” says Richard Boyatzis, distinguished university professor at Case Western Reserve University’s Weatherhead School of Management and coauthor of *Primal Leadership*. “People under 35 want even more. And this is not an American, or even Western, phenomenon. It is becoming important all over the world.”

Nearly 80% of respondents say their organizations have a stated purpose beyond meeting financial goals. However, the survey found a stark disconnect between executives and companies’ employees. Nearly 50% of respondents from Perceptive organizations say that executive behavior does not reflect the company’s stated purpose. On the part of the Detached, the number leaps to nearly 70%. [FIGURE 5](#)

Shortfalls in an organization’s EI capabilities, including those of its senior leaders, seem to account for much of the disconnect. A significant majority of respondents from companies across the spectrum—Perceptive, Uncommitted, and Detached—believe that purpose and EI are inextricably linked and essential for job satisfaction. [FIGURE 6](#)

McKee says that company vision and purpose are usually articulated at very senior levels and often reflect

a senior management point of view. They rarely connect in a deep way with employees at large.

Jason “JD” Duigou, CIO of Medxcel, a provider of health care support products, says that connecting to individuals with the mission and values is the foundation of embedding purpose, which is also critical to the success of any change effort. Medxcel continues to transform via innovation-based technology that has changed how associates get work done. Change initiatives can create uncertainty if not approached properly. Beyond just communication of the vision and business rationale, embarking on a new change initiative requires leaders to engage stakeholders as often as possible to ensure transparency and the feeling of inclusion in the bigger vision. “I challenge people to become more empathetic,” he says. “We need to make sure everyone feels empowered to ask for help and ensure understanding.”

Purpose transcends what business does and focuses more on serving with partnership and engagement. Medxcel anchors its purpose of effective delivery of services and stresses that frontline employees are the face of the business to the people they serve. Building and growing positive relationships is a differentiator, according to Duigou.

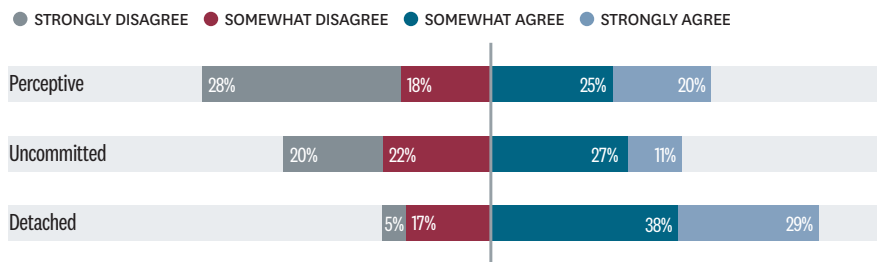
UBS, the world’s largest wealth manager, participates extensively in philanthropy, but it also has a defined goal of doing more than providing investment advice. The organization wants a “seat at the kitchen table,” according to Stephen Sullivan, a managing director responsible for global financial advisors serving high-net-worth individuals. In addition to providing financial counsel, the firm wants its clients to rely on its advisors to help with other decisions, such as whether to buy a new home or what philanthropic activities the family should take part in.

The benefits of strong EI capabilities and purpose are significant. Respondents from Perceptive organizations report that a sense of shared purpose increases productivity.

FIGURE 5

PERCEPTIVE ORGANIZATIONS ARE EMPOWERED AND RISK TOLERANT

The extent to which respondents agree with the statement “There’s a disconnect between what our senior executives say about purpose and their behavior”

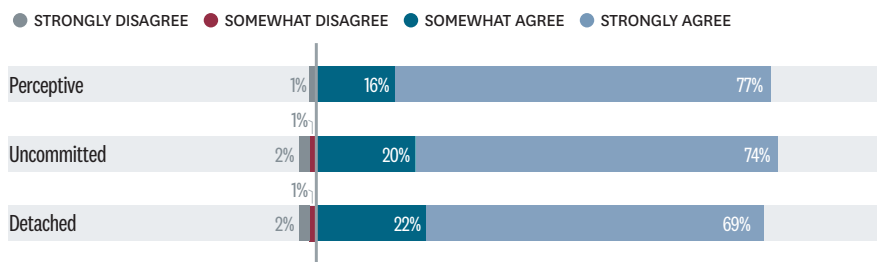


SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, MAY 2018

FIGURE 6

EI AND PURPOSE DRIVE JOB SATISFACTION

The extent to which respondents agree with the statement “Having a well-embedded emotional intelligence capability and sense of purpose are essential for employee success and job satisfaction”



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, MAY 2018

FIGURE 7 It also increases job satisfaction, which in turn often translates into stronger customer satisfaction and loyalty.

Milton Pedraza, CEO of the Luxury Institute, says that several luxury brands are becoming committed to social purpose and EI in order to engage the hearts of consumers who are interested in more than a product. Gucci, for example, is training its associates and call center personnel to “be themselves” and engage with customers about issues that matter to them. “Through their communications, actions, even the way their store associates and call center people behave, luxury brands are trying to demonstrate that they are relationship builders and missionaries,” he says.



NEARLY 80% OF RESPONDENTS SAY THEIR ORGANIZATIONS HAVE A STATED PURPOSE BEYOND MEETING FINANCIAL GOALS.

Millennial Matters: The Workforce of the Future

Millennials account for more than half the workforce at some 25% of companies worldwide, according to the survey. That number will continue to climb as Baby Boomers retire and their positions are filled by those entering the workforce.

The expectations of Millennials can differ significantly from those of Gen Xers and Baby Boomers. For example, the study found that Millennials' top priorities are promotion, organizational purpose, and work flexibility. Incentives and rewards fall further down the list. But besides career progress, Millennials place the greatest importance on corporate purpose. [FIGURE 8](#)

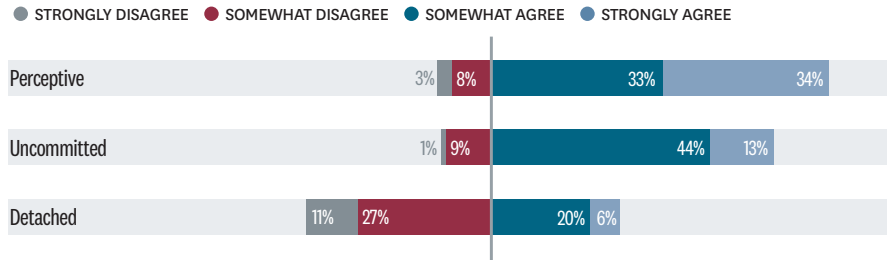
If organizations are to thrive and pull together to solve complex challenges, generation gaps can't be allowed to grow. Rajat Shah, executive vice president and chief operating officer of U.S. Bridge, a global leader that has built more than 10,000 bridges in 50 countries, finds that when teams have high degrees of EI skills, Millennials and older workers start to behave in similar ways, with a shared sense of values and the capabilities needed to make strong connections. "Older workers start to behave like Millennials," he says. "They want to do the same things. They want to grow and learn even in the late stages of their careers."

When strong EI skills are present, companies can develop very positive reverse mentoring roles. Linda Matkowski, chief operating officer of Stern Brothers, one of the largest women-owned privately held investment banks in the U.S., observes that Millennials are more in tune with emotions in interpersonal relationships and aren't afraid to discuss them. "My job as a senior executive is to help younger employees understand how the organization fits together," she says. "But their job is to give me that fresh set of eyes and point out what doesn't make sense anymore. I've been enjoying a lot more reverse mentoring than I did even a few months ago."

FIGURE 7

PERCEPTIVE ORGANIZATIONS' SHARED SENSE OF PURPOSE INCREASES PRODUCTIVITY

Respondents saying their organization's sense of shared purpose has increased productivity

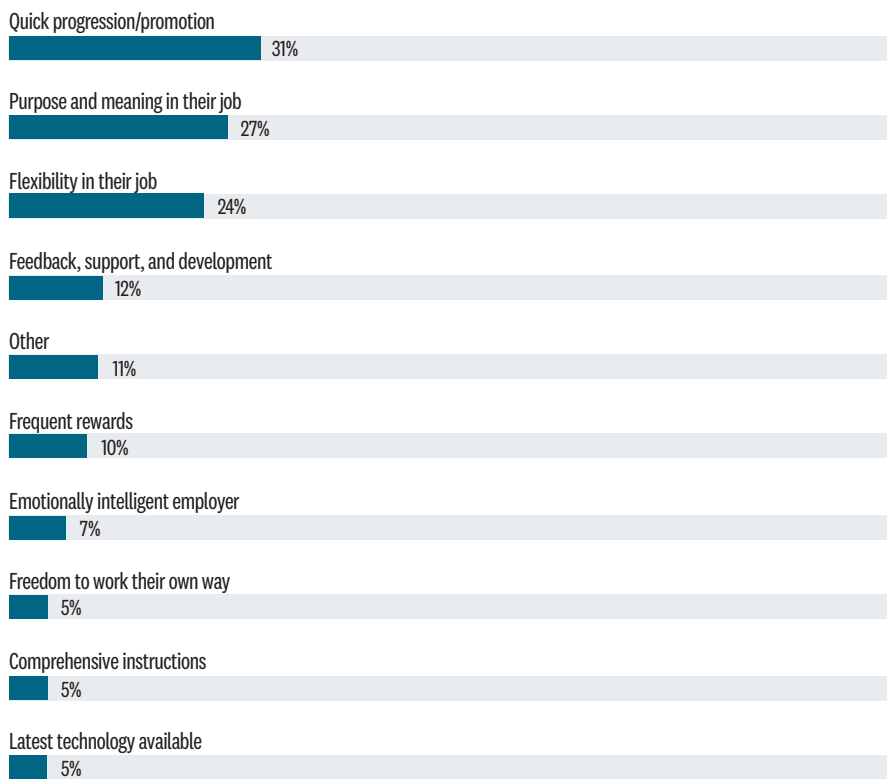


SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, MAY 2018

FIGURE 8

MILLENNIALS EXPECT PROGRESSION AND PURPOSE

Expectations of Millennials

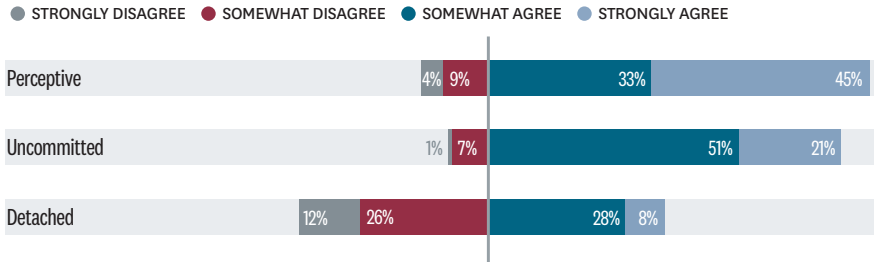


SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, MAY 2018

FIGURE 9

LINKING EI TO BUSINESS PERFORMANCE

The extent to which respondents agree with the statement “It’s difficult for my organization to draw a connection between emotional intelligence and business performance”



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, MAY 2018

Detached organizations should take notice. Their low levels of inclusiveness and shared purpose will likely alienate Millennials. [FIGURE 9](#) That alienation will leave these organizations out in the cold as labor markets have become increasingly competitive.

The Measurement Challenge

A large number of respondents say that linking EI capabilities to business performance is a major challenge. [FIGURE 10](#) The fact that most organizations don’t measure the performance impact can be a barrier in companies where senior management has not completely bought into a robust EI development effort.

Greaves says the business impact of EI can be measured, although it can be complicated. “You have to start with each individual’s EI level,” she says. “Then, by measuring the relationship between high- or low-EI individuals and business metrics like performance, productivity, or job satisfaction, you can measure EI’s contribution to business outcomes.”



WHEN COMPANY CULTURES EMBRACE RISK AND BUILD STRONG INTERPERSONAL SKILLS, EMPLOYEES ARE MORE ENGAGED, WHICH LEADS TO BETTER PRODUCTS, SERVICES, AND EXPERIENCES FOR CUSTOMERS.

Robert Goffee, a professor at London Business School and author of *Why Should Anyone Be Led by You?*, also believes that measuring impact on business performance may not be necessary. “We know there is a correlation between high-performing companies and investment in human capital,” he says. “So I think this is a matter of whether you believe in it or not.”

Headwinds That Slow EI Development Effort

An effort to embed EI capabilities throughout an enterprise faces many hurdles. McKee observes that most people value EI capabilities, but organizational processes and systems can work against them. She believes the challenge goes back to Taylorism in the 19th century and the drive for efficiency on the assembly line. Achieving that efficiency included monitoring people with stopwatches. People were basically cogs in a machine that should be made as efficient as possible. “This needs to change,” she says. “People need to be treated like people.”

“Most organizations still live and breathe efficiency,” she says. “It is king, and we’re meant to get the most out of people that we possibly can. We certainly don’t say those things anymore. But that is how we function in organizations. And not just management but employees too.”

Ajit Chouhan, director of HR at Hewlett Packard Enterprise, believes that corporations don’t always value individuality to the degree necessary for EI capabilities to flourish. Although companies place a great deal of emphasis on diversity, for example, they have yet to demonstrate how diversity of ideas can be leveraged to improve innovation and business outcomes. “We all have our unique culture in our personal space,” he says. “But when we move into a corporate environment, we are all expected to be similar, if not the same. Corporate cultures tend to be quite monolithic, and some may feel the pressure to “fit in.”

“Everyone pretty much understands diversity and can identify what is and isn’t diverse,” says Matkowski. “It’s the inclusion part that seems to be hard. It is difficult to reach the point where we accept a broad range of differences and allow people to be comfortable where they are at.”

Chouhan believes that the heavy use of technology in communication further inhibits the development of emotional intelligence by deemphasizing face-to-face communication. Personal dialogue is essential to being socially aware in a substantive way in order to effectively manage relationships. This is echoed in the survey. Some 30% of respondents strongly agree that human connections are harder to maintain because of the increased use of technology.

In addition to the obstacles described above, Boyatzis points out that employee expectations are rising. “If you look at video research of executives in meetings, you will see that they are using many more interpersonal skills than they did a decade or so ago,” he says. “But the bar keeps getting higher and executives aren’t keeping up. Everyone hears about the great cultures in the world’s most successful high-tech companies, and they are expecting the same in their own organizations.”

Are Organizations Really Trying?

Most companies, including Perceptive organizations, use a limited number of techniques to build EI capabilities. **FIGURE 11** For example, very few embed EI capabilities into job descriptions and performance reviews. A somewhat larger percentage provide classes, seminars, and online courses. Some—still one-half or fewer—provide coaching and mentoring.

EI development efforts often fall down because of the way EI is taught. If the company follows the typical classroom model of presentations and discussions, the training can even do more harm than good, according to experts.

Google broke through that barrier when it designed an emotional intelligence course that combined instruction to help build EI with materials from

a Zen teacher with entrepreneurial experience to create an interpretive approach to emotions as a source of mindfulness. The course, designed for engineers, is extraordinarily popular, and the people who finish it report they experience far less stress than they did before.

Most training, however, typically includes feedback that confronts the user with a vast amount of data such as 360° reviews, videotapes, and written assessments. But beginning with a huge amount of data can stop the development process in its tracks, according to Boyatzis. “When people get all of this data, they often look at their weaknesses,” he says. “Invariably that puts people on the defensive, which inhibits their ability to open up and embrace new ideas.” Boyatzis and his colleagues studied the body’s physical reactions to this type of approach and found that being on the defensive releases stress-related hormones, which usually closes the mind to new ideas.

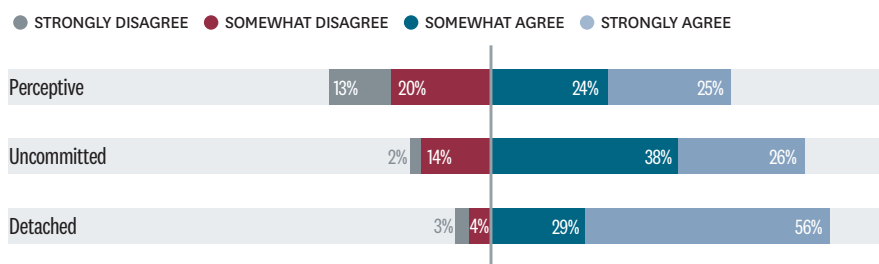
The same holds true for metrics and a heavy focus on financials and other analytical issues. Boyatzis and his colleagues discovered that these also trigger stress-related hormonal responses that can clam people up and make them ill-prepared to work seriously on developing EI skills. To further prove the point, Boyatzis examined several studies about the impact of business education on students’ emotional intelligence. Most

WHEN STRONG EI SKILLS ARE PRESENT, COMPANIES CAN DEVELOP VERY POSITIVE REVERSE MENTORING ROLES.

FIGURE 10

LINKING EI TO BUSINESS PERFORMANCE IS A CHALLENGE

Respondents saying it’s difficult for their organization to draw a connection between emotional intelligence and business performance

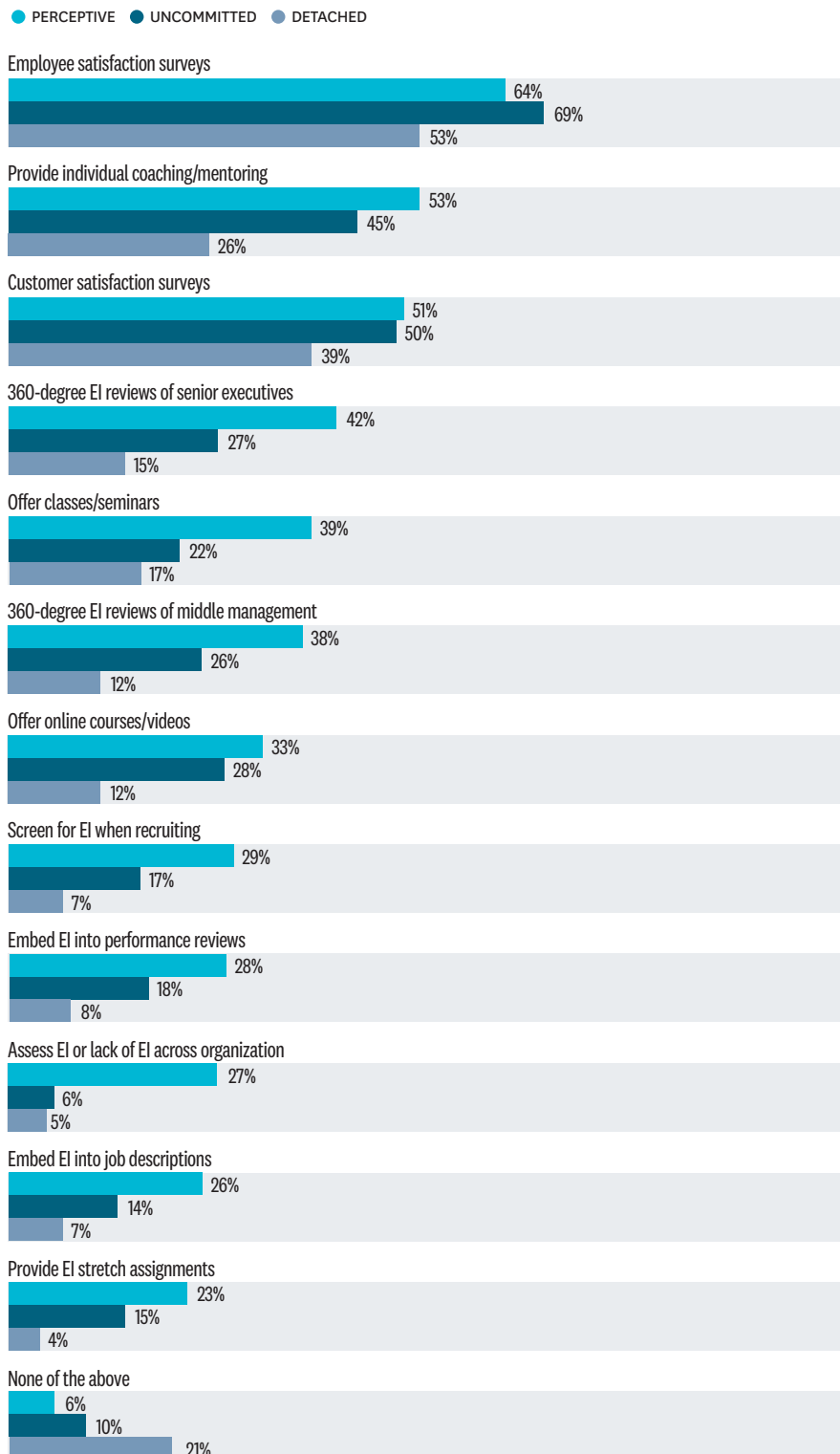


SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, MAY 2018

FIGURE 11

THE PERCEPTIVE ARE TAKING PRACTICAL STEPS TO EMBED EI, BUT THERE'S STILL ROOM FOR IMPROVEMENT

Leaders taking practical steps to embed EI, but there is still much to do



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, MAY 2018

MBA programs focus on financial, operational, and analytical skills. “We found that top-tier MBA programs actually destroy a student’s EI,” he says. “They graduate with less than they started with.”

To make EI training effective, Boyatzis and other executives urge that the process should start with dialogues that focus on self-awareness and the sources of why people believe what they believe. Weatherhead put the idea to the test. The school revamped one of its leadership courses and started it with three weeks of having leaders explore personal visions and talk to their peers and coaches in order to develop those visions. That process led to deep levels of self-awareness and empathy for others’ points of view. That then served as the foundation for developing and eventually mastering EI and interpersonal capabilities. Moreover, the university found consistent levels of improvement in EI skills even months after students took the course.

UBS takes a similar tack. EI capabilities are a must-have for the firm’s financial advisors, says Sullivan. The due diligence required to take on a new client has changed over the years, and potential clients are queried extensively about the origins and source of their wealth. “Many of our clients aren’t aware of all the regulations or that the process is the same for everyone,” he says. “If our financial advisors don’t have outstanding empathy and self-regulation skills, potential clients could believe that the bank suspects them of something. We need to explain why we are posing these questions and create a strong emotional connection, so potential customers don’t go to another bank.”

To steer clear of that outcome, UBS has an extensive worldwide EI training program. And it doesn’t start with lectures, videos, or assessments. Many employees spend three days deeply exploring themselves and each other. They gain a deep understanding of where they are coming from and how

to have conversations that are driven by empathy and self-awareness. “It is one of the most intense experiences employees have at the bank,” Sullivan says. “But it is a critical foundation for developing EI capabilities.”

Grassroots Growth

Including EI in leadership training is often the way many organizations start to develop EI more broadly. But the efforts can begin quietly because grassroots efforts snowball when more and more people see EI’s value. Grassroots efforts can take hold even in environments where you wouldn’t expect them to flourish—such as construction and the alpha world of banking.

U.S. Bridge is a prime example. Shah was at the helm of planning for new projects in the wake of Hurricane Maria’s devastating impact on Puerto Rico. The hurricane destroyed several bridges, and the U.S. government wanted to contract U.S. Bridge to replace seven of them as quickly as possible. “We normally wouldn’t take on more than three or four projects at one time,” he recalls. “But the team told me they could do it, and I went with them.”

Shah wasn’t very aware of EI capabilities at the time, but he came to see them in action. The teams had developed strong EI and teamwork skills and could work on their own, solving large challenges without going to managers to get answers. At one point, the company found out that because of humanitarian aid, a shortage of shipping containers was expected. So, the teams figured out—on their own—how to accelerate the process and shorten it to a few months so bridge components could ship while there was still container space available.

“I realized from watching the teams that they were using many elements of EI,” Shah recalls. “They knew each other and their perspectives very well, which helped them to engage and do their work in record time.” The

experience prompted a companywide EI development program, focusing on direct human interactions through coaching and mentoring. The company also opened its financials and key performance indicators to give employees a strong sense of inclusion and empowerment and a feeling of responsibility.

Conclusion

The role of EI capabilities in today’s business environments should be a source of concern. Companies often talk about the importance of EI, but do little to truly demonstrate an acknowledgement of its power. An internal disconnect is also clear: employees feel that EI skills are important, but the organizations where they work don’t seem to value them. Insufficient focus on these critical skills has significant downsides—lower productivity, weak cultures and innovation, and employees of all generations turned off by a lack of meaningful purpose.

As this study demonstrated, most companies give limited attention—if that—to the development of EI capabilities. But those that give more attention see tremendous benefits: engaged and energized employees, improved business results, the ability to attract and retain top talent, the creation of an innovation premium, and improved customer experiences, employee satisfaction, and company creativity.

The consequences of the status quo are significant—the workforce of the future expects a deep purpose

to engage it and create a spark. Businesses need to be creative and effective in how they make this happen, and a critical key is to harness the power of the EI engine. As was the case with Google and Stern Brothers, companies thrive when they figure out the best way to make EI skills a reality and recognize that empowering emotionally intelligent employees is both good for business and critical to creating vibrant corporate cultures. To survive and thrive in the future, businesses need to actively champion EI, and the data in this report affirms that emotional intelligence is the critical key to unlocking an organization’s expansive potential.



INCLUDING EI IN LEADERSHIP TRAINING IS OFTEN THE WAY MANY ORGANIZATIONS START TO DEVELOP EI MORE BROADLY.

METHODOLOGY AND PARTICIPANT PROFILE

A total of 599 respondents drawn from the HBR audience of readers (magazine/ newsletter readers, customers, HBR.org users) completed the survey.

SIZE OF ORGANIZATION

ALL RESPONDENTS' ORGANIZATIONS HAD 250 EMPLOYEES OR MORE.

43% 10,000 OR MORE EMPLOYEES	22% 1,000-9,999 EMPLOYEES	10% 500-999 EMPLOYEES	25% 499 OR FEWER EMPLOYEES
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SENIORITY

19% EXECUTIVE MANAGEMENT/ BOARD MEMBERS	34% SENIOR MANAGEMENT	30% MIDDLE MANAGERS	17% OTHER GRADES
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KEY INDUSTRY SECTORS

12% EDUCATION	11% TECHNOLOGY	10% MANUFACTURING	9% FINANCIAL SERVICES	8% OR LESS OTHER
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JOB FUNCTION

13% OPERATIONS/ PRODUCT MANAGEMENT	10% HR/TRAINING	10% GENERAL MANAGEMENT	8% OR LESS OTHER
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REGIONS

35% NORTH AMERICA	29% EUROPE	21% ASIA PACIFIC	8% MIDDLE EAST/AFRICA	7% SOUTH/CENTRAL AMERICA
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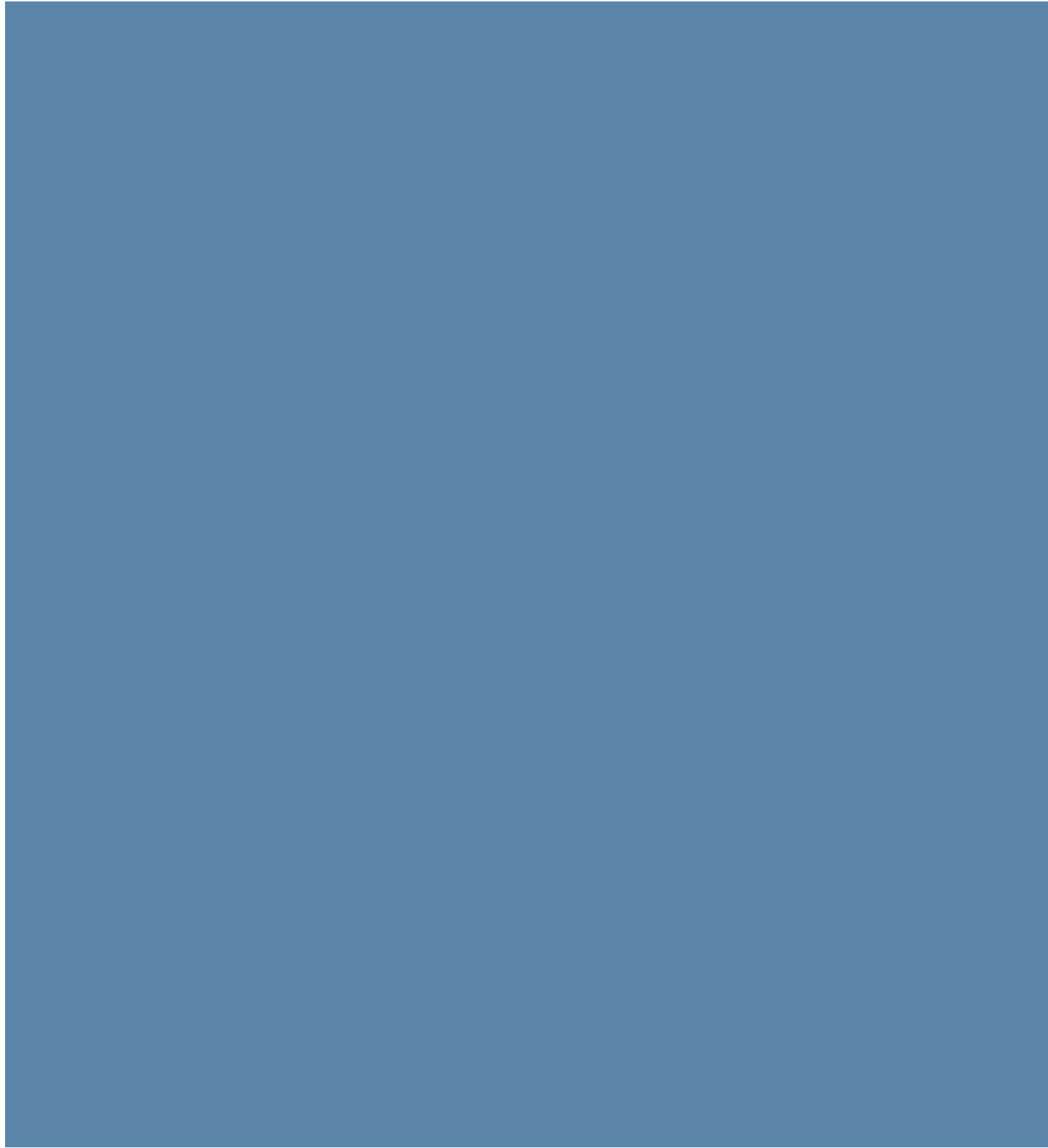
Figures may not add up to 100% due to rounding.



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