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Emotional Intelligence (EQ)

Research & Application





Executive Summary

The research and application of emotional intelligence (or EQ, as it is often referred to) in the last decade has gathered considerable momentum. The concept posits that individuals differ in the degree to which they are able to perceive, appraise and respond to emotional information, both within themselves and between others. Evidence has also demonstrated that measures of EQ can predict workplace outcomes such as performance and leadership success over and above traditional assessment measures (such as personality and cognitive ability). One important challenge in this domain, however, lies in the lack of consensus between researchers on precisely how EQ should be defined and measured. The purpose of this research is to identify best practise EQ measurement and application.

Researching the current streams of EQ literature reveals that while there are strengths and weaknesses related to both ability-based and mixed models (personality, mental ability, experiences etc.), the self-report ability-based model approach is the best choice available due to its narrower focus by defining EQ as a distinct ability.

Further, while EQ measures are often used to assess suitability for certain customer-facing service industry roles in which there is a high level of customer interaction (such as contact centres), its most widespread use is for determining leadership aptitude. Our literature review of the application and predictive validity of EQ in this context finds that EQ is also associated with more positive transformational leadership behaviours as well as more effective conflict management styles.

Overall, EQ can provide useful insight in the assessment process for both selection and development when appropriately developed and interpreted.

The Origin Of Emotional Intelligence

Although a relatively recent concept, emotional intelligence has become a hugely popular topic in academic and business circles. A Google search on “emotional intelligence” returns over 1.9 million results! Why? Because EQ is claimed by many to be predictive of vital work-related outcomes, including job performance. However, from the time the concept of emotional intelligence was initially introduced in the academic literature by Salovey and Mayer (1989), there has been ongoing debate about the validity of EQ as a predictor for various outcomes. On one side are the researchers who believe EQ has the potential to add predictive validity above and beyond traditional measures, such as cognitive ability and personality (Goleman, 1996; Salovey & Mayer, 1989). On the other end of the spectrum, some researchers argue that EQ is an invalid concept that is neither a form of intelligence nor a personality trait (e.g. Locke, 2005).

Following Salovey and Mayer’s (1989) conception of EQ, Goleman (1995) popularised the concept for a general audience with the release of his book, *Emotional Intelligence: Why it can matter more than IQ*. The book went on to become a best-seller, popularising the concept of EQ and fostering the widespread belief that EQ may be more important than measures of intelligence. According to Goleman (1995), EQ is twice as important as any other factors in predicting job performance. It’s a bold claim to be sure. However, since the research Goleman cited as evidence for his claim is not publicly available, the debate over EQ vs. cognitive abilities rages on. (Landy, 2005).

“Individuals differ in the degree to which they are able to perceive, appraise and respond to emotional information”

What Is EQ Exactly?

Given the contentious nature of EQ as a construct, its definition will depend on who you are asking. Broadly, Mayer and Salovey (1989) first championed EQ as:

“A set of skills hypothesised to contribute to the accurate appraisal and expression of emotion in oneself and in others, the effective regulation of emotion in self and others, and the use of feelings to motivate, plan, and achieve in one’s life.”

However, since its inception and Goleman’s (1995) popularisation of the notion, two academic schools of thought have emerged that concern the definition and measurement of EQ. One sees EQ as a discrete ability and uses ability-based assessments or self-reported measures to determine EQ. Proponents of the mixed EQ model, on the other hand, see EQ as overlapping with conventional cognitive ability and personality measures and rely solely on self-report measures to assess EQ (Matthews, Zeidner, & Roberts, 2011).

According to the ability-based approach, EQ is conceptualised as a form of mental ability that allows individuals to adaptively process and respond to affective emotional information. Specifically, the Mayer four branch ability model (Mayer, Salovey, & Caruso, 2004) defines EQ as four discrete mental abilities that are arranged in a hierarchical structure, where abilities in the higher branches depend on or build upon abilities in the lower branches. These include:

1. Emotion perception – The ability to accurately identify emotions in themselves and others
2. Emotion facilitation – The ability to use emotions in order to facilitate task performance
3. Emotion understanding – The ability to appraise emotions, and to understand which expressions of emotions are appropriate for a specific context
4. Emotion regulation – The ability to manage one’s own and others’ emotions so as to attain specific goals

Ability-based EQ can be measured using either (I) ability assessments or (II) self-report measures. In EQ ability assessments, respondents are required to respond to questions with an objective right or wrong answer, similar to a traditional cognitive ability test. In contrast, self-report measures require the respondent to rate how closely the items match themselves on a Likert rating scale; a psychometric rating scale where respondents select an option on a horizontal options scale (e.g. a four point Likert scale may look like Strongly Disagree, Disagree, Agree, Strongly Agree)

According to the mixed model, EQ is conceptualised as a broad construct that encompasses a range of EQ measures, and social skills and abilities (e.g., self esteem, optimism, reality testing, conflict resolution etc.). Unlike the ability-based approach, the mixed approach is only assessed by self-report measures (e.g., Bar-On, 2006). Furthermore, the ability EQ that is based on the Mayer et al’s (2004) model uses more narrow measures to avoid excessive overlaps with existing personality measures.



The Challenges In The Practical Application Of EQ For Executive/Leadership Assessment

Challenge 1: What is the best approach for measuring EQ?

One of the biggest debates within the scientific literature over EQ centers on how EQ should be properly measured. Specifically, the ability- and mixed-models of EQ show little overlap (Matthews, Zeidner, & Roberts, 2012), suggesting that they could be measuring different constructs. Furthermore, for ability-EQ, Van Rooy (2005) found that questionnaire measures of EQ do not correlate well with ability-test measures of EQ. Given the lack of a 'gold standard' for measuring EQ and the increasing popularity of EQ as an assessment tool within the commercial sector, it is essential that test users understand the relative strengths and weaknesses of the different approaches to measure EQ, and how they may fit with their assessment goals.



Challenge 2: How can EQ measures be usefully applied?

The importance of EQ may vary across different occupations, depending on the extent to which employees have to regulate their emotional expression at work (Joseph & Newman, 2010). For instance, EQ has been found to be more important in service industries such as retail and contact centres, in which employees have to constantly interact with customers (Higgs, 2004). In these roles, employees have to constantly appear friendly so that they are behaving in a way that is consistent with their organisations' expectations.

Nonetheless, one area that has not been extensively reviewed is how the relative importance of EQ may change depending on the job level of employees. For example, executive leaders may be more dependent on EQ in order to manage conflicts among team members, whereas such skills may not be required for entry-level employees. Although there has been evidence suggesting a positive relationship between EQ and executive leaders, the nature of this association is not clear.

Study Objectives

The objectives of this research study were twofold:

- To critically examine the current evidence available for the three approaches to measuring EQ, evaluating the relative strengths and weaknesses of each approach
- To identify the best practise use of EQ for executive leaders by exploiting the predictive validity of EQ on leaders' (I) conflict management and (II) transformational leadership behaviours.

What Is The Best Approach For Measuring EQ?

1. Self-report measures of mixed-EQ

Previously, research has suggested that there is more evidence for the predictive validity of the mixed-EQ model than for the ability-EQ model. A recent meta-analysis revealed that mixed EQ has incremental validity of .068 above and beyond other traditional measures such as general mental ability and personality (O'Boyle, Humphrey, Pollack, Hawver, & Story, 2011). This was higher than the incremental validity for ability-based and self-report measures of ability EQ.

Although there is some empirical support for the mixed-model approach, such results need to be interpreted with caution. One major concern with the mixed model of EQ is that it is conceptually very similar to personality traits (Matthews et al., 2011). Specifically, it has been observed that the average correlation between mixed EQ and the Big Five personality measures is 0.50 (Van Rooy, Viswesvaran, & Pluta, 2005). Although mixed-EQ is expected to correlate with personality traits, the magnitude of such correlations challenges its divergent validity as a unique and distinct construct.

2. Ability-based assessments of ability-EQ

Unlike mixed-EQ, ability-based EQ can be measured using either (I) ability assessments or (II) self-reports. Although the MSCEIT is the most widely used ability-based assessment to measure ability-EQ (Fiori & Antonakis, 2011), there is evidence suggesting that some of the items on this test-battery are redundant and do not capture the four-branch model on which they are based (Rossen & Kranzler, 2009). Specifically, extremely high correlations (e.g., $r = .90$) between the Facilitation and Perceiving branches has been observed, suggesting that items on these two factors might be measuring the same underlying construct rather than distinct EQ abilities as outlined in the Mayer four-branch model (Fan, Jackson, Yang, Tang, & Zhang, 2010). Additionally, an oblique threefactor model with these two branches combined provided a better fit compared to the proposed four-factor model of the MSCEIT. This implies that the factor structure of the MSCEIT may not match with the theoretical expectations of the four-branch model of EQ (Maul, 2011). Hence, these findings together suggest that the previous lack of findings for the predictive validity of EQ may be the result of this inability of the MSCEIT to accurately define and differentiate the Facilitation and Perceiving branches.

Aside from the poor factorial validity of the MSCEIT, another issue with the ability-based assessment that may hinder the predictive validity of ability-EQ is its scoring system. The lack of objective answers

to items on the MSCEIT raises issues about the meaning of scores on this test battery (Conte, 2005). Conventionally, scores on the MSCEIT are evaluated against either the consensus or expert scoring system. It is assumed that the normative group is capable of appreciating the meaning of most emotional signals (Mayer et al., 2004). Consequently, individuals receive scores according to the extent their response matches that of the normative sample.

Nonetheless, the reliance on the consensus scoring system may not produce meaningful scores, particularly at the high end of the EQ spectrum (Fiori & Antonakis, 2011). Among items that showed convergence, there are concerns regarding the meaning associated with the consensual responses. In cognitive test batteries, individuals with high cognitive abilities often respond to difficult questions in a manner different to the norm (Brody, 2004). Given that ability-based EQ is conceptualized as a form of intelligence, it has been suggested that responses to difficult items from high EQ individuals may also be non-consensual. If this is the case, then the MSCEIT may not be identifying individuals with high EQ abilities, but those who get most of the easier items correct (Fiori & Antonakis, 2011).

3. Self-report measures of ability-EQ

The other common approach to measuring ability-EQ is to use self-report measures, which require respondents to rate how closely the items describe their level of emotional abilities. This avoids the methodological issues with consensus scoring in ability assessments because each item does not have an objective answer. Furthermore, self-report measures assessing ability-EQ tend to have a lower correlation with cognitive ability than ability assessments. This suggests that, in general, self-report measures of EQ are a distinct and separate construct from cognitive ability more viable for assessment. Finally, unlike self-report measures of mixed-EQ, self-report measures of ability-EQ tend to be narrower and more specific in the constructs that they measure. Consequently, this minimises overlap in content with other related constructs, such as personality traits.

Nonetheless, one main criticism of self-report measures of ability-EQ is that it is not assessing one's ability to understand, manage, facilitate and become aware of their own and others' emotions. Instead, it is assessing their self-concept of how well they believe they can demonstrate these abilities. Consequently, people with poor self-efficacy are likely to overestimate or underestimate their performance on these emotional abilities. Summarising these three streams of research, the table below outlines the main EQ measurement conceptualisations in the literature.

EQ Application

Having identified the origins of EQ conceptualisation and measurement, it is important to consider how organisations can practically apply EQ insights into their selection and development initiatives. Researchers have asserted that EQ is an important prerequisite for successful leadership on the premise that leaders' displays of emotions within a social context can influence employees' behaviour and attitudes (Kafetsios, Nezlek, & Vassiou, 2011). This is particularly pertinent for transformational leadership behaviours including influence, motivation and inspiration of team members (Barling, Slater & Kelloway, 2000). It follows that the ability to accurately perceive emotions in both oneself and others is important for leaders because it allows them to most effectively motivate/inspire others by expressing, drawing on and reacting to emotional and social cues.

To illustrate, executives who are considered by their direct reports as transformational leaders support employees' needs, motivate them cognitively and emotionally, and provide inspirational goals. The use of a transformational leadership style has been shown to be positively related to EQ (Barling, Slater & Kelloway, 2000). In contrast, followers are more likely to experience negative emotions if their leaders constantly display negative emotions, which may in turn hinder employees' work motivation and morale (Barsade & Gibson, 2007). Moreover, employees' perception of their leaders' effectiveness may be reduced if leaders are unable to manage their emotional control at work, by displaying negative or explosive emotions such as sadness and anger.

3 streams of emotional intelligence research (O'Boyle et al., 2011)

Stream 1 Ability Tests	Stream 2 Self-report Ability Measures	Stream 3 Self-report Mixed Model of EQ
Based on Mayer & Salovey EQ model		Posits EQ includes a combination of skills, abilities and personality traits
4-branch model: Emotion perception, emotion facilitation, emotion understanding and emotion regulation		Includes traditional social skill and ability measures
Measures are narrower		Measures are broader
Correlates highly with cognitive ability measures	Correlates highly with Big 5 - Neuroticism (from $r=-.40$ to $-.57$) and Conscientiousness ($r=.38$)	

Furthermore, the ability to motivate and inspire others is partly determined by leaders' skill around managing and regulating employees' emotions. For instance, in cases where an organisation is going through structural changes, executive leaders need to be aware of how employees are feeling about and coping with this transition, and to understand and empathise with them so that the change efforts will be more easily accepted. Demonstrating competence in managing other people's emotions has been shown to predict employees' engagement at work and their ability to solve problems (Barsade & Gibson, 2007). Finally, there is also evidence suggesting that executive leaders need to have high EQ in managing conflicts among

employees at work. Specifically, relationships conflicts between partners and members have been noted to be a determinant hindering the job effectiveness using both team- and individual-level measures (Clarke, 2010). Clarke (2010) found that the facilitation branch in the MSCEIT model and the overall ability-EQ measure are predictive of teamwork and conflict management among project managers, respectively. Most importantly, EQ remained predictive of these outcomes even after controlling for managers' cognitive ability and personality, suggesting that EQ may explain variance in these managerial competencies above and beyond what the traditional measures assess.

Conclusion

The objectives of this research study were:

1. To review the status of EQ conceptualisation
2. To consider the best-practice for measurement moving forward
3. To assess the applied nature of EQ on leadership performance.

Summarising the three streams of EQ research, it was found that ability measures are narrower and better differentiated from other constructs. When defining emotional intelligence in the mixed model framework, its all-encompassing nature (i.e. including multiple constructs and dimensions) diminishes the validity of the construct (i.e. what doesn't EQ include; Locke, 2005). However, EQ ability tests such as the MSCEIT present with poor factorial validity and a lack of clear objectivity of correct answer. The self-report approach to ability-based model, on the other hand, avoids such methodological limitations, as no objective answer is necessary – rather normative data can be attained and provided for comparison among individuals.

While users do need to be aware of the methodological limitations associated with this approach, such as the reliance on self-efficacy and judgment ratings of ability, we conclude that definitive EQ assessment tools that are developed in conjunction with the self-report ability-based approach will provide the best predictive insight of workplace outcomes beyond traditional measures. Such EQ assessments should be used in conjunction with personality and cognitive ability assessments and interpreted within the context (requirements) of the job for maximum effectiveness.

Moreover, in applying EQ reports in HR practice, this research has also identified scientific literature suggesting that EQ is particularly important for leaders, who are responsible for (1) managing people, and (2) demonstrating transformational leadership behaviours. Given the role emotions play in all interpersonal endeavours, including leadership and management, this makes sense both intuitively and scientifically. Nonetheless, given that the EQ literature available varies in definitional and measurement approaches, we recommend that for use within the commercial sector EQ needs to be measured appropriately, results interpreted with caution, and ideally viewed in conjunction with more proven traditional competency measures.

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