



Emotional Intelligence:

Moving the Needle on Employee Engagement

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The case for employee engagement is already well made. e.g. The 'Global Workforce Study' study by Towers Watson (then Towers Perrin) of nearly 90,000 employees in 18 countries reported that:

"...companies with high employee engagement had a 19% increase in operating income and 28% growth in earnings per share.

Conversely, companies with low levels of engagement saw operating income drop more than 32% and earnings per share decline 11%"

This is one of myriad studies showing the same thing – which is how we ALL know that employee engagement is an incredibly effective predictor of these kind of superior, measurable, bottom line results.

"I'M ALREADY INTO ENGAGEMENT..."

...well, of course you are! Most organisations will have undertaken what we'll call in this article 'big data' employee engagement surveys – and use the data from those surveys to drive larger scale changes in providing greater autonomy, enhancing career opportunities, and better working & social environments.

That works, no doubt.

But what do you do when you've wrung all of the increased engagement you can from such 'big data' initiatives, and still haven't hit your engagement target? How do you get the needle moving again?

The answer is what we'll call here 'small data' engagement. We define 'small data' engagement as a focus upon raising engagement one team at a time – by focusing upon raising the Emotional Intelligence (EI) of each team leader with targeted and personalised interventions. Later in this piece we'll look at a study done in IBM that shows just how effective this approach can be.

I'M INTERESTED IN ENGAGEMENT, BUT WHY BOTHER WITH EI?

In 2010 I led the largest global research study ever undertaken into what made leaders charismatic—specifically what gave them the ability to engage employees (400,000 employees worldwide fed back on their 40,000 leader-managers). We defined Leadership Charisma as:

"...the ability to create and maintain a work environment where people are emotionally and intellectually committed to the organization's goals.

...to build an energetic and positive attitude in others and inspire them to do their very best.

...to create a common sense of purpose where people are more inclined to invest extra energy and even some of their own time in their work."

You'll likely recognize this as a classic definition of employee engagement. Leaders who can engage their people to produce superior results for their organizations have the only sort of charisma that's really relevant in a commercial environment.

And what did those 400,000 employees tell us were the key behaviours that evoked this engagement response in them? No great surprise: the ability to listen, to create a positive working environment, a contagious energy & enthusiasm, the preparedness to recognize positive contributions, and their undying belief that every one of their team had something special to offer. In short, they identified those behaviours typical of Emotionally Intelligent leaders.

It's a 'no-brainer'. Leaders with high EI:

- are more self-aware (conscious of the impact they have on others)
- are more empathetic (they can understand and perceive the feelings of others and demonstrate this understanding to others);
- effectively regulate and manage their own emotions such that they model appropriate behaviour for their people;
- can positively influence the feelings of others

– and research shows that up to 53% of an employee's score in engagement surveys can be accounted for by the extent to which their boss demonstrates the type of leadership style that they find motivating.

Emotionally Intelligent leaders behave in a way that engages people naturally.

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HOW DO I USE THIS INFORMATION TO TARGET HIGHER ENGAGEMENT?

So, how do you create an initiative that allows you to confidently invest time, energy and effort in raising the EI of your management so that they in turn raise the engagement of their people – and impact the bottom line in the financially significant way we know engagement does?

Simply model your initiative on the solutions Genos International delivered in IBM and elsewhere.

The Genos Emotional Intelligence assessment has an integrated Employee Engagement survey that measures the intellectual and emotional commitment of 'Direct Reports' to their work and the organization – AND simultaneously measures leader EI through the eyes of Direct Reports (and others like Peers, Manager, etc.). One assessment – two key metrics.

Via a small bank of eight questions, this '4P Model' of engagement measures the extent to which employees:

- Praise the organisation to others.
- Perform above what is expected of them
- Persist with the company even when receiving attractive offers from other employers
- Perfect - strive to innovate and continuously improve what they do

And, at the same time each leader's team engagement is assessed, their EI is also assessed using the Genos EI model. This measures the observed EI behaviours those leaders bring to the workplace. The key word here is 'observed' - in reality it is the way that leaders actually 'show up', the way they interact with people day to day, that either engages or disengages them.

Taking this approach you get:

- Insight into the engagement 'climate', manager by manager, in every one of their teams
- Insights about how each leader 'shows up' in terms of their behaviour in working with their people day to day and scope to develop manager by manager targeted emotional intelligence development plans
- A metric that allows you to assess results before & after interventions like coaching or training to directly assess their real effectiveness, and to estimate the return on investment achieved in terms of bottom line results

CASE STUDIES - THE RELATIONSHIP BETWEEN EMPLOYEE ENGAGEMENT AND A LEADER'S EMOTIONALLY INTELLIGENT BEHAVIOUR

200 IBM leaders drawn from across EU, USA and Asia Pacific were assessed for their emotional intelligence, and the engagement of the 438 employees reporting to this leadership group was simultaneously assessed.

In the graph below, each dot represents an employee's engagement score. The x axis of the graph represents leaders' emotional intelligence as a percentile score – scores between 1 and 39 are low, 40 to 59 are average, and 60 and above are high.

Leaders subsequently completed a program consisting of 6 x 2 hour sessions designed to build self- & other-awareness, empathy and the ability to positively influence the way others feel.

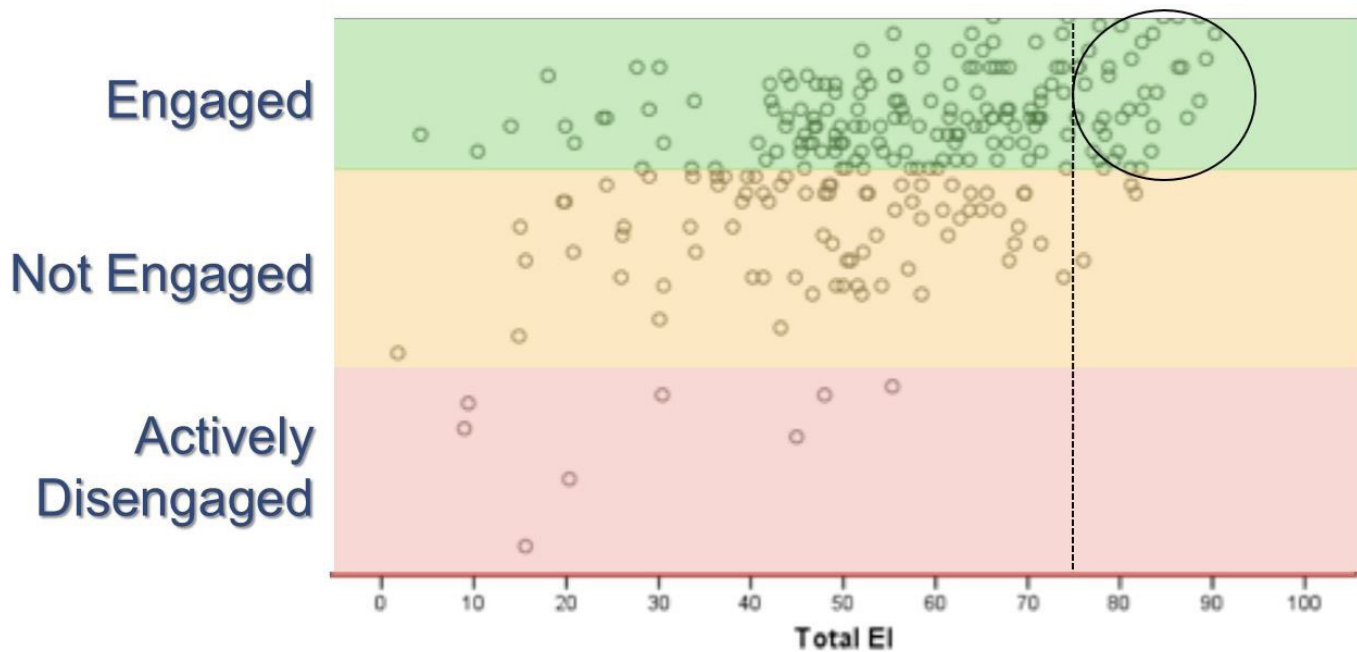


Figure 1 The Emotional Intelligence / Employee Connection

As you can see, a manager being average or low in emotional intelligence results in wide and varying levels of employee engagement where their employees are disengaged, not engaged and engaged. These types of engagement scores are typical of low and average performing organizations. On the other hand, high levels of emotional intelligence, total emotional intelligence scores above the 75th percentile, result in consistently high engagement scores.

This study shows in detail what all the recent research is showing: every cent you invest in moving your leaders' observed EI up to and beyond the 75% mark has a direct impact in raising the engagement of their people – with the established knock-on effect that this engagement increase has on performance and productivity.

A similar study was undertaken in a large Australian government agency – measuring the EI of the leadership team and the engagement of their direct reports. Leaders subsequently completed a program consisting of 6 x 2 hour sessions designed to build self- & other-awareness, empathy and the ability to positively influence the way others feel. These types of interventions can be delivered as a two-day event, but our experience is that this 'Learning Path' approach, where short sessions are followed by a few weeks to apply the material in the workplace, are more effective in creating lasting behaviour change.

As shown below participants' emotional intelligence improved in every dimension and on average by 24%.

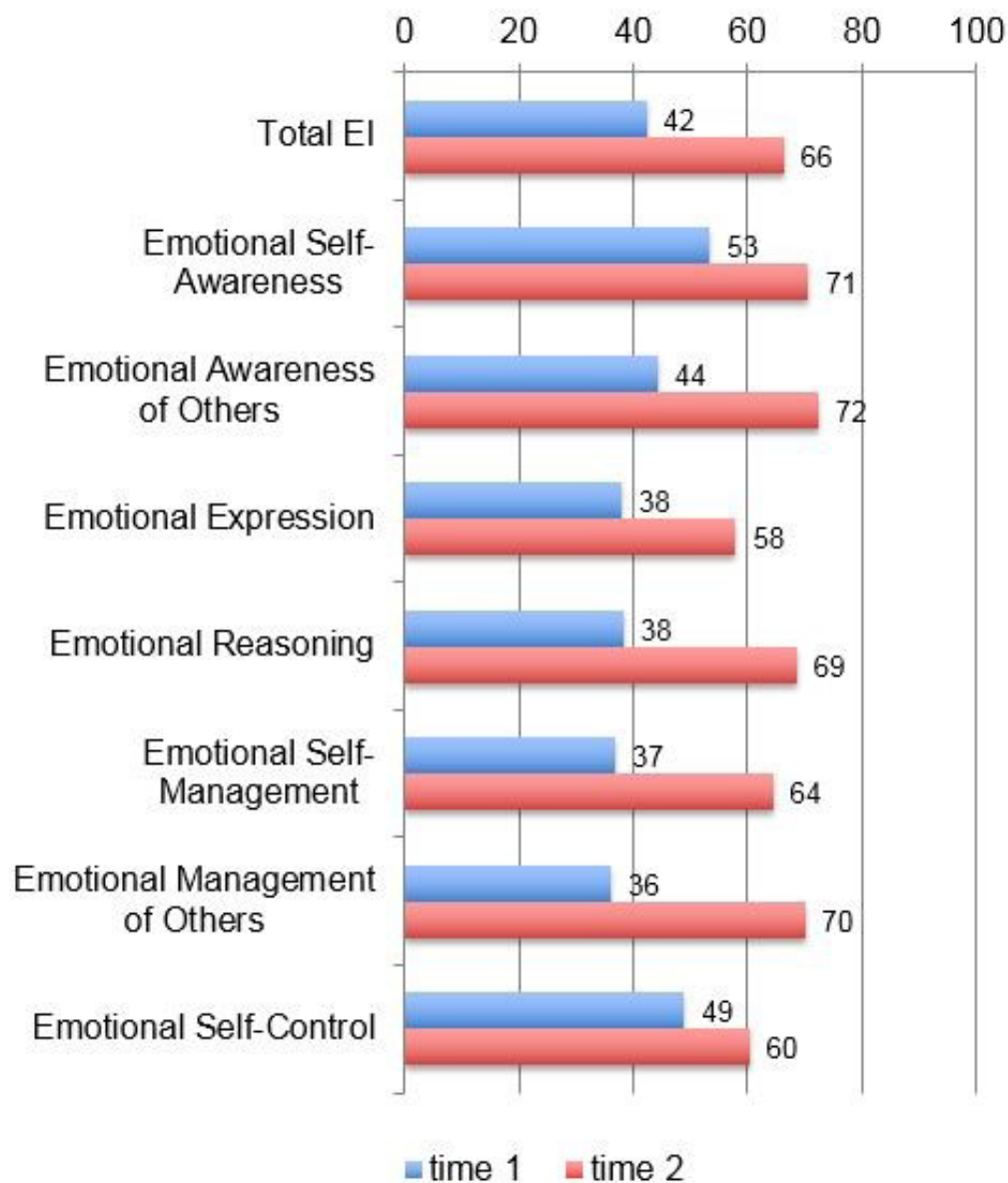


Figure 2: Emotional Intelligence Measures: Before & After Intervention

At the conclusion of the program, participants reported their behaviour was more self-aware and empathetic towards each other, they were better at expressing their own emotions and were therefore perceived as more genuine and trustworthy. They were also better at managing their own emotions and positively influencing the way others felt resulting in improved resilience, teamwork and relationships.

What was the impact on employee engagement? As shown below, participants' levels of employee engagement doubled as a result of the program and improvements in emotional intelligence.



Figure 3: Employee Engagement: Before & After Intervention

As shown above, employee engagement levels doubled moving from a low of 22% at the commencement of the initiative to 44% at the conclusion. In particular, participants were more likely to:

1. Praise the organisation as a great place to work – enhancing their employment brand.
2. Persist in the face of difficult work and be more committed to their work - improving talent retention within the organisation.
3. Put in more discretionary effort improving productivity and service levels.

The conclusion is obvious: move the needle on manager-leader Emotional Intelligence and you move the needle on Employee Engagement as a result. And, because there is always room for personal improvement, and you are measuring how your management 'show up' for their teams, this

exercise can be repeated annually for cumulative and sustainable results.

Bottom Line

According to research by Gallup, one of the defining features of high-performing organisations (organisations that earn 3.9 times more per share than their counterparts) is a ratio of 9.5 engaged to 1 disengaged employees. So there really is a lot of potential for bottom line improvement if you get this right.

By taking this manager by manager, team by team, 'small data' approach to engagement you can direct your investments and interventions with surgical precision, and clearly demonstrate which of those interventions are effective on the bottom line, and which aren't.

Why would you do otherwise?



ABOUT THE AUTHOR: DEIRIC MCCANN

I'm Head of International Development for Genos International, and I'm passionate about the impact EI can have on measurable bottom line metrics like Employee Engagement.

If your organisation is serious about raising engagement then I'd love to hear from you – we have a really innovative approach I'd love to share with you.

If you're an independent consultant, coach or trainer with clients who are serious about employee engagement then please talk to me about how we can equip you up to do for your clients what we do for ours.

AUSTRALIA

Worldwide Headquarters (Sydney)

(p) +61 2 8004 0413

(e) support@genosinternational.com

www.genosinternational.com

EUROPE

European Headquarters (Ireland)

(p) +353 45 856 450

(e) eu@genosinternational.com

www.genosinternational.com

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