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CHAPTER I

GENERAL INTRODUCTION

1.0 INTRODUCTION

This chapter gives a general outline of the research area - Emotional Intelligence and Leadership. It covers the origin and evolution of the concept of emotional intelligence, the relationship between emotional intelligence and leadership with a special emphasis on the importance of emotional intelligence for effective leadership in organisations, the benefits of emotional intelligence and finally, a brief profile of the company under investigation.

1.1 EMOTIONAL INTELLIGENCE IN WORKPLACE

The world is undergoing a metamorphosis more profound than ever. The recent global economic meltdown has posed unprecedented challenges to the corporate world. In this context, organizations require a dynamic leadership to motivate and lead human resources to tide over this crisis. Certainly, the quality of leadership can make a difference during these uncertain times. But what makes an effective leader? As Goleman points out, effective leaders require more than technical skills to execute the job. They need to possess qualities such as empathy, initiative, adaptability and persuasiveness. Goleman has proposed to call these qualities “Emotional Intelligence” (Goleman, 1995, 1998a). These qualities are essential ingredients for excellence at work which matter most for leadership.

In the past, emotions had very little room in the workplace. They were considered a taboo. They had to be expressed in a controlled way, at the appropriate
time and environment. Logical thinking and rational analysis were always considered better methods of handling and solving issues in the workplace. But today the trend has reversed. Emotions and feelings are given importance in all our major decision-making process. As Caruso & Salovey emphasizes, “Emotion is not just important but absolutely necessary for us to make good decisions, take optimal action to solve problems cope with change, and succeed” (Caruso and Salovey, 2004 p.ix). In organisational context, the inability to manage emotions and communicate effectively has led to conflicts, low morale and productivity among employees. Emotions provide us with valuable information about ourselves, others and situations. They exert powerful influence on our demeanour and to a greater extent “set the course that a company follows” (Weisinger, 2006 p.xxiii).

1.2 HEART AND HEAD – THE TWO MINDS

The name Homo Sapiens, the thinking species, can be misleading especially in the light of the new findings about the place of emotions in human life. Many a times we make decisions based more on feelings than on thinking. When emotions hold us our rationality is buried. Emotions have been a guiding factor for the survival of the species. The first laws of proclamations of ethics such as the code of Hammurabi, the Ten Commandments of the Hebrews and the Edicts of Emperor Ashoka can be read as attempts to harness, subdue, refine and domesticate emotional life. Despite these social constraints, passion overwelms reason time and again (Goleman, 1995). The ancient adage ‘face is the index of the mind’ seems so true in daily life. Many a times people smile, an artificial smile, but within they will be sad and unhappy. In such circumstances, we ask: ‘you seem to be not alright, what is the matter?’ This reveals to us the possibility of two minds. One mind hides the emotion of being sad by a
smile; but the other mind shows its sadness through eyes, and other features in the face. One is the act of a rational mind, the other of an emotional mind.

The rational mind is through which we comprehend and think and reflect. This is which we most of us are conscious and aware of. There is another mode of knowing through the emotional mind which is more impulsive and powerful.

The two minds function usually in assisting one another with the supply of information to each other. There is balance between the rational and emotional mind. The emotional mind feeds the data to rational mind and it in turn refines and sometime accepts the inputs as such. While these minds function in a co-ordination, they are also semi-independent capable of acting independently when the need arises (Goleman, 1995; Singh, 2003).

1.3 THE GROWTH OF BRAIN

The primitive part of the brain in all species is the brainstem surrounding the top of the spinal cord. This part regulates the basic function such as breathing, metabolism of other body organs and exercises the control over instinct reactions and movements. It carries out activities to ensure survival of the species. From these brainstem emerged the emotional centres. Later, from these emotional centres evolved neocortex – the thinking brain. The important point to underscore here is that there was emotional brain in the species long before there was a thinking brain.

The most primordial root of emotional life is in the sense of smell. It is located near the olfactory lobe responsible for taking in and analysing smell so as to
classify the living species as nutritious, poisonous, sexual partner, predator or prey. As this primordial emotional centre - olfactory lobe - began to evolve, it grew large enough to cover the top of the brain stem. One thin layer of neurons that encircled the brain cells received in what was smelled and categorized. The other layer of cell sent reflexive messages through the nervous system telling the body what to do on the basis of the category analyzed – to bite, spit, approach, flee or chase (Goleman, 1995).

In the evolutionary process, when the mammals arrived, they had new, key layers of emotional brain above the brain stem. This is called limbic system. As this developed, it refined two powerful tools – learning and memory which enabled the animals to be smarter based on their experiences. This new connection between limbic system and olfactory lobe enabled animals not only to smell and act but also compare the present with past and distinguish between the good and the bad. This was done by nose brain and marked the beginning of the thinking brain – neocortex – in a small way. Later, on top of the cortex, several new layers were formed to make neocortex which was unique to Homo Sapiens. This offered an extraordinary intellectual edge to the human over other species. The neocortex contained not only the centres that enables us to comprehend what our senses perceive but also subtle and complexity of emotions such as to have feelings over feelings.

The limbic system directs the rest of the brain in crucial matter of the heart especially in emotional emergencies. As the neocortex and other parts of the brain grew from the emotional centre, it has connected through myriad ways to the neocortex thus possessing immense power to influence the rest of the brain (Goleman, 1995; Singh, 2003).
1.4 CAN EMOTIONS BE INTELLIGENT?

Can we bring intelligence to our emotions? Yes. But how? Traditionally, emotions were considered negative. But emotions are neither positive nor negative. Emotions contain data. It is in fact most powerful source of energy, drive and provides with valuable information descended from our ancestral past (Cooper and Sawaf, 1997). Emotions are sequential events and follow logical patterns and therefore it can be channelized for positive benefits by bringing intelligence to it.

According to Cooper and Sawaf, emotion is “applying movement, either metaphorically or literally, to core feelings. ...Emotions have long been considered to be of such depth and power that in Latin, for example, they were described as motus anima, meaning literally ‘the spirit that moves us” (Cooper and Sawaf 1997, p. xiii). They explained that contrary to what most people believe, emotions are inherently neither positive nor negative. Emotions serve as the single most powerful source of human energy, authenticity, and drive, and can offer us a wellspring of intuitive wisdom. In fact, feelings provide us with vital and potentially profitable information every minute of the day. This feedback—from the heart, not the head—is what ignites creative genius, keeps you honest with yourself, shapes trusting relationships, provides an inner compass for your life and career, guides you to unexpected possibilities, and may even save your or your organization from disaster (Cooper and Sawaf 1997 p. xiii).
Cooper expanded on the work of the American Quality Foundation (Table 1.1), which describes conventional and high-performance meaning of emotions.

**Table 1.1**

**Emotions: Conventional vs. High-performance**

<table>
<thead>
<tr>
<th>Conventional</th>
<th>High-performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sign of weakness</td>
<td>Sign of strength</td>
</tr>
<tr>
<td>No place in business</td>
<td>Essential in business</td>
</tr>
<tr>
<td>Avoid emotions</td>
<td>Emotions trigger learning</td>
</tr>
<tr>
<td>Confuse</td>
<td>Explicate (clarify)</td>
</tr>
<tr>
<td>Table them</td>
<td>Integrate them</td>
</tr>
<tr>
<td>Avoid emotional people</td>
<td>Seek out emotional people</td>
</tr>
<tr>
<td>Pay attention only to thoughts of</td>
<td>Listen for the emotion in</td>
</tr>
<tr>
<td>Use of non emotional words</td>
<td>Use of emotional words</td>
</tr>
</tbody>
</table>

Source: Cooper and Sawaf, (1997, p. xxxii)

Cooper added the following (Table 1.2) to the list:

**Table 1.2**

**Additional Conventional vs. High-performance Emotions**

<table>
<thead>
<tr>
<th>Conventional</th>
<th>High-performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interfere with good judgment</td>
<td>Essential to good judgment</td>
</tr>
<tr>
<td>Distract us</td>
<td>Motivate us</td>
</tr>
<tr>
<td>Sign of vulnerability</td>
<td>Make us real and alive</td>
</tr>
<tr>
<td>Obstruct, or slow down</td>
<td>reasoning Enhance, or speed up, reasoning</td>
</tr>
<tr>
<td>Form a barrier to control</td>
<td>Build trust and connection</td>
</tr>
<tr>
<td>Weaken fixed attitudes</td>
<td>Activate ethical values</td>
</tr>
<tr>
<td>Inhibit the flow of objective data</td>
<td>Provide vital information and Feedback</td>
</tr>
<tr>
<td>Complicate management planning</td>
<td>Spark creativity and innovation</td>
</tr>
<tr>
<td>Undermine authority</td>
<td>Generate influence without authority</td>
</tr>
</tbody>
</table>

Source: Cooper and Sawaf, (1997, p. xxxii)

Thus, when we bring intelligence to emotions they are a powerful source of energy and produce extraordinary results. This confluence of intelligence with emotions also lends the possibility of investigating the new concept of Emotional Intelligence.
1.5 HISTORICAL ROOTS OF EMOTIONAL INTELLIGENCE (EI)

With the publication of Goleman’s bestseller *Emotional Intelligence: Why It Can Matter More Than IQ* (1995), the concept of EI has become widely known throughout the world. It has become major topic of interest among behaviourists and public at large. Goleman presented the importance of EI logically and coherently with support of various researches on emotions, brain and social behaviour.

The study of emotional intelligence and the concept can be traced back to the writings of Wechsler who referred to the non-cognitive intellectual aspects of general intelligence. These early thoughts were succeeded by Edward Thorndike’s “Social Intelligence”, a proponent of learning theory. Edgal Doll published a test in 1935 to measure socially intelligence behaviour among children. To this well-known cognitive intelligence test, David Wechsler included two sub-scales to measure the aspects of social intelligence (Bar-On, 2005).

In 1983, in his book *Frames of Mind*, Howard Gardner proposed a theory of multiple intelligences that included, in addition to the recognised cognitive intelligences, kinaesthetic, practical, musical and personal intelligence thereby expanding on Wechsler’s concept of general intelligence. He also designed and published a test to measure the same (Gardner, 1983). The concept of EI, though it existed earlier, the words were used by Peter Salovey and John Mayer in their article “Emotional intelligence” in 1990. They defined ‘emotion’ and ‘intelligence’ separately and defined EI as the “subset of social intelligence”. Gardener’s concept of personal intelligence has close resemblance to EI. (Mayor, Salovey and Caruso, 2000b).
1.6 EMOTIONAL INTELLIGENCE: THE CONCEPT

There are many models and definitions on Emotional Intelligence. Let us discuss some of the most important definitions of the concept. Goleman’s *Emotional Intelligence* published in 1995 is by far the most authoritative work in the subject. According to him, emotional intelligence is “the capacity for recognising our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships” (Goleman, 1998a, p.375). He describes EI as complementary and yet distinct from academic intelligence. He proposed a model, the Emotional Competence Framework with five dimensions and twenty-five emotional competencies (details in Chapter II). Goleman emphasized that EI determines our potential for learning the practical skills based on the dimensions of EI. He defines emotional competency as “a learned capability based on emotional intelligence that results in outstanding performance at work” (Goleman 1998a, p.28).

Singh (2003) after carrying out research on the Indian population defined Emotional intelligence as “the ability of an individual to appropriately and successfully respond to a vast variety of emotional stimuli being elicited from the inner self and immediate environment. Emotional intelligence constitutes three psychological dimensions—emotional competency, emotional maturity and emotional sensitivity—which motivate an individual to recognize truthfully, interpret honestly and handle tactfully the dynamic of human behaviour” (pp.38-39)

According to Mayer, Salovey and Caruso (2000b), with emotional intelligence, one is able to process emotional information, specifically as it involves
the perception, assimilation, understanding, and management of emotion. EI consists of four branches of mental ability:

1. Emotional identification, perception and expression
2. Emotional facilitation of thought
3. Emotional understanding
4. Emotional management

Cooper and Sawaf defined emotional intelligence in terms of energy, relationships, and influence. It is “the ability to sense, understand, and effectively apply the power and acumen of emotions as a source of human energy, connection, and influence” (Cooper and Sawaf 1997, p.xiii). They contended that every business leader wants or needs emotional intelligence. Subordinates expect these qualities from a manager, and people hope for them in a parent, partner, and sibling. They reported that emotional intelligence contributes to employee and organizational success, citing examples in the following areas (Cooper and Sawaf 1997, p. xii):

- Decision making
- Leadership
- Strategic and technical breakthroughs
- Open honest communication
- Trusting relationships and teamwork
- Customer loyalty
- Creativity and innovation

From the above discussions on the concept of Emotional Intelligence, we understand that some authors restrict the concept to understanding and expression of
emotions. However, Goleman, Cooper and Swaf have expanded the concept of Emotional Intelligence to include many associated competencies that has linkage to emotions. Hence, drawing inspiration from the contribution of experts in the field, we can define emotional intelligence as the ability to understand, manage and cultivate one’s emotions so as to motivate and influence the attitudes and behaviour of people with whom we interact.

1.7 LEADERSHIP

What is that differentiates successful organisations from the rest in this competitive world? It is effective and dynamic leadership. However, there is often a shortage of effective leaders. The organisations continue to look for suitable and effective Leaders. Managers who can substantially contribute to the growth of the organization are sometimes the scarcest resource. Hence, on all sides there is a continual search for persons who have the necessary ability to lead effectively. This shortage of effective leadership is not confined to business, but is evident in the lack of able administrators in government, education, foundations, churches, and every other form of organization. Thus, when we decry the scarcity of leadership talent in our society, we are not talking about the lack of people to fill administrative positions. What we are agonizing over is the scarcity of people who are willing to assume significant leadership roles in our society and who can get the job done effectively. (Hersey and Blanchard, 1996). Researchers have attempted to define the concept only to realize that the term means different things to different people. There are nearly as many definitions of leadership as there are people who have tried to define the concept (Yukl, 1994).
Leadership is the process of influencing the activities of an individual or a group towards the achievement of a goal in a given situation. There are three major parts that come out of this definition: leader, follower and situation. In a nutshell, leadership is about accomplishing a given goal with and through people. In 1900, F.W. Taylor proposed the theory of scientific management, which focussed on improving the technological aspects to enhance production. In 1920, Elton Mayo replaced the trend with human relations movement, which emphasized the interpersonal relationship in the workplace. With that the conflict between concern for the task and the people became well known and till date that debate continues (Hersey and Blanchard, 1996).

To the question, what makes an effective leader, Goleman (1995, 1998a) and Cooper and Sawaf (1997) point out that effective leaders have more than the technical skills to do a job. They employ qualities such as initiative and empathy, adaptability, and persuasiveness - competencies of emotional intelligence. High EI has been linked to high performance by organizational personnel as shown in a study at Johnson & Johnson (Cavallo and Brienza, 2002).

1.8 EMOTIONAL INTELLIGENCE AND LEADERSHIP

Goleman declares that the measure of success to evaluate our work and profession has drastically changed. A new yardstick has come to stay. They are not academic abilities or technical knowledge. They are taken for granted. Instead, the focus today is on personal qualities such as initiative and empathy, adaptability and persuasiveness. These qualities will decide to distinguish between a star performer who is promoted and an average person in an organisation. All the more these
qualities will be important for leaders to discharge their duties effectively (Goleman, 1998a).

Leaders make a difference in the organisations. They need to possess exceptional capabilities to surmount the difficulties and lead the organization to greater heights. All leaders need to vary their personal styles based on the situations. Today, after research it is known that all effective leaders possess EI. IQ and technical skills are entry level requirements and are taken for granted. “EI is the sine qua non of leadership”. (Goleman, 1998b, p.94). When a comparison was made between star and average performers, 90 percent of difference in their profiles was attributable to EI rather than cognitive abilities. There is certainly a clear link between a company’s success and EI of its leaders (Goleman 1998b).

Goleman says: “Emotional competence is particularly central to leadership” (Goleman 1998a, p.37). He further adds that interpersonal ineptitude in leaders will lead to uncongenial work atmosphere leading to poor performance among the team members. Caruso and Salovey (2004) found in a research that a company top management team that shares a common emotional outlook that is positive has a 4 to 6 percent higher market adjusted earnings per share than companies whose management team has a diverse outlook.
1.9 BENEFITS OF EMOTIONAL INTELLIGENCE

Singh (2009), Freedman and Everett (2008) have reviewed the various literature and compiled the benefit of Emotional intelligence to our general life and business. The benefits of emotional intelligence are detailed here.

1.9.1 BENEFITS OF EMOTIONAL INTELLIGENCE ON LIFE

✓ There is convincing evidence that psychological states do affect health. Depression, grieving, pessimism all seem to worsen health in both the short run and long term.

✓ Success depends on "mature adaptations" including altruism, humour, self-management, and optimism/anticipation. People do change over time.

✓ 75% of careers are derailed for reasons related to emotional competencies, including inability to handle interpersonal problems; unsatisfactory team leadership during times of difficulty or conflict; or inability to adapt to change or elicit trust.

✓ 85-95% of the difference between a "good leader" and an "excellent leader" is due to emotional intelligence.

✓ Impulsive boys are 3-6 times as likely to be violent as adolescents, and impulsive girls are 3 times more likely to get pregnant in adolescence.

✓ Optimism is a skill that can be taught. Optimists are more motivated, more successful, have higher levels of achievement, plus significantly better physical and mental health.
✓ The chronically sad/depressed are 2 times as likely to contract a major debilitating disease.

✓ People who accurately perceive others’ emotions are better able to handle changes and build stronger social networks.

✓ Emotions and reason are intertwined, and both are critical to problem solving.

✓ Social and emotional abilities were four times more important than IQ in determining professional success and prestige.

1.9.3 BENEFITS OF EMOTIONAL INTELLIGENCE ON BUSINESS

✓ The reasons for losing customers and clients are 70% EQ-related (e.g., didn’t like that company’s customer service)

✓ In one year, the US Air force invested less than $10,000 for emotional competence testing and saved $2,760,000 in recruitment.

✓ In a multinational consulting firm, partners who showed high emotional intelligence competencies earned 139% more than the lower EI partners.

✓ American Express tested emotional competence training on Financial Advisors; trained advisors increased business 18.1% compared to 16.2%, and nearly 90% of those who took the training reported significant
improvements in their sales performance. Now all incoming advisors receive four days of emotional competence training.

- After supervisors in a manufacturing plant received training in emotional competencies, lost-time accidents were reduced by 50 percent, formal grievances were reduced from an average of 15 per year to 3 per year, and the plant exceeded productivity goals by $250,000.

- Top performing sales clerks are 12 times more productive than those at the bottom and 85 percent more productive than an average performer. About one-third of this difference is due to technical skill and cognitive ability while two-thirds is due to emotional competence.

- UCLA research indicates that only 7% of leadership success is attributable to intellect; 93% of success comes from trust, integrity, authenticity, honesty, creativity, presence, and resilience.

- At L’Oreal, sales agents selected on the basis of certain emotional competencies significantly outsold salespeople selected using the company’s old selection procedure by $91,370, for a net revenue increase of $2,558,360. Salespeople selected on the basis of emotional competence also had 63% less turnover during the first year.

- The most effective leaders in the US Navy were warmer, more outgoing, emotionally expressive, dramatic, and sociable.

- Workers with high work pressures and poor time management skills are twice as likely to miss work; employees who have strong self-management skills cope better with work pressures.
The above account of Emotional Intelligence benefits speak volume on the importance and the urgent need to focus on this area of emotional and social learning for the development of the organization, children and society at large.

1.10  PROFILE OF THE ORGANISATION UNDER STUDY

Established in the late 1950s, Bharat Heavy Electricals Limited (BHEL) is a name which is recognized across the industrial world. BHEL is the largest engineering and manufacturing enterprise in India in the energy related/infrastructure sector today. BHEL has built over the years, a robust domestic market position by becoming the largest supplier of power plant equipment in India, and by developing strong market presence in select segments of the Industrial sector and the Railways. BHEL was established more than 40 years ago ushering in the indigenous Heavy Electrical Equipment industry in India, a dream which has been more than realized with a well-recognized track record of performance. BHEL crossed the Rs.20,000 crores landmark doubling its turnover in last three years. The Company crossed the landmark of installing cumulative projects of more than 1,00,000 MW across the globe and it has become a 15,000 MW power plant equipment manufacturing company.

BHEL caters to core sectors of the Indian Economy viz., Power Generation and Transmission, Industry, Transportation, Renewable Energy, Defence etc. BHEL has already attained ISO – 9001 certification for quality management and all the manufacturing units/divisions of BHEL have been upgraded to the latest ISO –
BHEL have been awarded ISO – 14001 certification for environmental management systems and OHSAS-18001 certification for occupational health and safety management systems. BHEL is the only PSU among the 12 Indian Companies to figure in “Forbes Asia Fabulous 50” third annual list. It has also won the “Business Standard Star Public Sector Company Award – 2006”. The other significant point of the company are:

- The Company was established for meeting the needs of power plant equipment in the country
- Successfully fulfilled the mandate and taken India from a position of total dependence on imported sources to complete self reliance in power plant equipment.
- BHEL caters to the core sectors of Indian economy, viz., Power, Industry, Transportation (including Railways), Transmission, Oil & Gas, Renewable Energy etc.
- Significantly, BHEL undertakes the entire gamut of engineering, manufacturing, erection and commissioning activities for power plants, even on turnkey basis- an expertise available only with a few power plant equipment manufacturers in the world.
- One of the most successful public sector enterprises, consistently making profits since 1971-72 and paying dividends since 1976-77. Recognized as a ‘Navaratna’ enterprise by Government of India.
• 3 out of 4 houses in India are served with power generated from BHEL sets. As on 31st March 2007, BHEL made generating sets account for over 65% of India’s total installed power generating capacity. Significantly these sets contribute 73% of the total power generated in the country.

BHEL, Tiruchirapalli is one of the major manufacturing units of the corporation. BHEL's Tiruchirapalli Complex is India's largest manufacturer of boilers and auxiliaries providing total boiler solutions for utility, industrial, captive power and heat recovery applications.

BHEL, Tiruchirapalli unit was established in the early 60s, to cater to the boiler and its auxiliaries for the power plant. The High pressure plant, Tiruchirapalli, the unit chose for the investigation has strength of 9600 employees in categories of Sr. Executives (144) Executives (1056), Supervisor (1600) and workmen (6800). During the financial year 200-09 the company turnover was Rs.7,413 crores with a profit before tax of Rs.1,603 crores.

1.11 CONCLUSION

The purpose of this introductory chapter has been three-folded: a) to briefly outline the origin and evolution of the concept of emotional intelligence; b) to understand the importance and benefits of emotional intelligence for effective leadership in the organisation; and c) to sketch the profile of the organisation under study.
The current investigation on Emotional Intelligence and Leadership will bring out far reaching implications and findings for the organisation. It will enable the organisation to draw up major plans for better performance and enhanced growth.

The following Chapter II, Review of Literature, will explore in depth major influential theories, concept and other previous studies in the area of emotional intelligence and leadership.