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**The Impact of Emotional Intelligence
on Organizational Management:
The Icelandic Perspective.**

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Declaration of Research Work Integrity

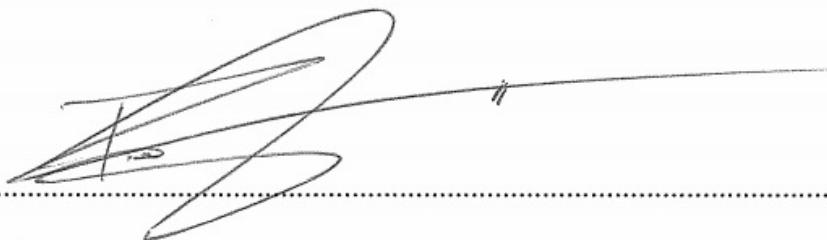
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Signature

Abstract

This section aims to inform the reader on the rationale behind the selected area of research on emotional intelligence in Icelandic firms and management. This document is part of the curriculum for the MSc. in International Business program from Reykjavik University.

In recent times and with the ever expanding role of globalization, firms are competing on a higher scale than ever before. Job performance is more relevant than ever and finding ways to enhance it can prove to be an extremely influential tool for a firm to succeed. In order to achieve good performance between members of an organization, high levels of cohesion and empathy are usually a sign of a healthy organization. One of the areas that has seen more development in the last few decades and seems to be more promising in aiding with these issues is emotional intelligence (EQ).

The main aim of this research document is to identify if Icelandic middle managers are familiar with the concept of EQ; is it being utilized by them and try to establish a preliminary assessment of the impact of EQ in their organizations. The research paper is qualitative and descriptive in nature since little evidence of prior studies has been found. The primary data collection will be carried out via in-depth interviews with managers from the most representative industries in the country and comparing the results to the relevant literature.

This document includes a literature review of the most relevant subjects and underpinnings in EQ, the impact of EQ alongside with an evaluation of the different EQ visions, its benefits, controversies and measurement systems. The main research questions are also postured, with a proposed methodology; the findings from the interviewing process and finally a discussion comparing the literature to the results crowned with the conclusions and limitations of the research study and their implications. A sample of all the documents used in the data gathering process can be found in the Appendix.

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Definitions

| | |
|--------|---|
| EQ | Emotional Intelligence |
| HR | Human Resources |
| SA | Self-Awareness |
| SR | Self-Regulation |
| M | Motivation |
| E | Empathy |
| SS | Social Skill |
| IQ | Intelligence Quotient |
| MSCEIT | Mayer-Salovey-Caruso Emotional Intelligence Test |
| ECI-2 | Emotional Competence Inventory 2 |
| EQ-I | Emotional Quotient Inventory |
| DHEIQ | Dulewicz and Higg's Emotional Intelligence Quotient |
| EUR | Euros |
| RQ | Research Question |
| H | Hypothesis |
| IDI | In-depth Interviews |
| CC | Consulting Company |

1. Preface

Emotions and feelings had little consideration up until recently; both at the workplace and in the academic arena. Realizing their importance has been a slow but steady struggle that has led to the realization that such intangible concepts have a real and significant impact on employees and firms.

The world of psychology has slowly worked its way into corporations, and only after a slow process of adoption, areas as abstract as emotions or feelings have shifted from being ignored or fought, to working alongside them attaining great success. Looking back, this fight or avoidance was relatively the norm until the early 1990's when the works of Salovey and Mayer on Emotional Intelligence came to light, identifying firstly that emotions play a role in the way individuals perceive the world around them and also assist them in taking decisions, ultimately acting as precursors to action. Inspired by Salovey and Mayer's work, Goleman published a series of books in the area of EQ that ultimately popularized the concept and started a small change of paradigm in the human resource world which inspired the author of this document to further study this area.

The central purpose of this study is to identify if EQ is known in Icelandic firms; if so, how is it being implemented and an initial reckoning of the impact that EQ has on said firms. The nature of this paper is purely exploratory and to act as a primer for further research, by estimating a preliminary view of EQ in the Icelandic landscape.

This study has been primarily motivated due to a lack of available information in the aforementioned area of EQ in the country. Albeit the popularity of the term in the academic world; there is a huge gap in professional and academic research when making this one of the main motivation factors behind this thesis.

From the findings, a series of conclusions have been stated at the end of the document with the purpose of opening the path to new studies in the untapped and promising world of EQ in Iceland.

2. Literature Review

In this section, the most relevant theoretical foundations will be detailed in order to provide a deep and thorough understanding of the principles governing EQ.

2.1 Emotional Intelligence and its origins

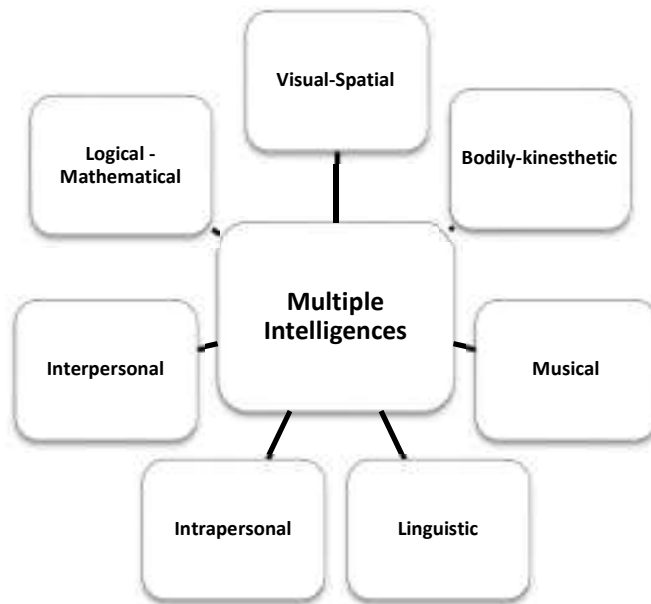
Human intelligence and logical thought are recursive areas of interest that have been studied throughout human history and have seen very different interpretations in their meaning (Mayer, Roberts, & Barsade, 2008). These different conceptualizations will be explored in detail later on in the document. Considering its changing nature, the current definition of intelligence is “a mental ability (or set of mental abilities) that permits the recognition, learning memory for, and capacity to reason about a particular form of information” (Mayer, Roberts, & Barsade, 2008; p.509). There is not one single and unitary form of intelligence (Goleman, 1995), but a series of them, and part of these intelligences focuses on the way individuals see emotions and how they react to them; this is at the core interest of EQ (Mersino, 2007).

The basic principles behind the concept of EQ can be traced back to the 1920's which were developed by Eduard Thorndike as part of his work on social intelligences; the precursor to the multifaceted idea of intelligence (McEnrue, Groves, & Shen, 2007; Dulewicz, Higgs, & Slaski, 2003). The definition given by Thorndike (1920) for social intelligence was as “the ability to understand men and women, boys and girls – to act wisely in human relations” (p.228). These were the first steps in the seminal idea that would evolve into EQ.

It should be noted that Thorndike did not create a theoretical construct for social intelligence, he only used it as means to illustrate that intelligence can be exposed in different forms or ways (Lievens & Chan, 2010). This idea of multiple intelligences was developed further by Gardner in the 1980's (Goleman, 1995). From the standpoint of an

educational perspective, Gardner (1983) exposed that there are seven components to intelligence:

Figure 1. The Seven Multiple Intelligences



(Source: Gardner, Frames of Mind: The Theory of Multiple Intelligences, 1983; Graph: Own creation)

For the purpose of this paper, the most relevant aspects form Gardner's theory are those related to social intelligence, which are interpersonal and intrapersonal intelligences (Chopra & Kanji, 2010) and academics believe that they are narrowly correlated to EQ (Bar-On, 2006; Chopra & Kanji, 2010; Mersino, 2007). According to Gardner (1993), "Interpersonal intelligence is the ability to understand other people: what motivates them, how they work, how to work cooperatively with them (...) Intrapersonal intelligence is a correlative ability, turned inward. It is a capacity to form an accurate, veridical model of oneself and to be able to use that model to operate effectively in life" (p.9). In essence, interpersonal refers to social intelligence and intrapersonal, to feelings and emotions.

One surprising issue is that most of the research done in the area of EQ is relatively new, emerging in the early 1990's and especially after the publication of Goleman's book

in 1995; Emotional intelligence: Why it can matter more than IQ (Bar-On, 2010; Dulewicz, Higgs, & Slaski, 2003; Chopra & Kanji, 2010; Mayer, Roberts, & Barsade, 2008). In this book, Goleman makes a series of detailed explanations on how the brain works and the rationale behind the importance of emotions on individuals and their relevance when compared to traditional views on why people succeed in life (Goleman, 1995). It should be noted that Salovey and Mayer (1990), were the first to coin the concept as it is known today.

2.2 How emotions work

According to Goleman (1995), in order to understand the impact of emotions, one must first understand how the brain processes data and makes decisions. The basic principle revolves around two types of process, the emotional versus the rational brain.

Before being able to master emotions and their impacts, one must first be emotionally self-aware (Goleman, 1995), this is the key of Goleman's theory and only then, the individual can start to perceive and read emotions in others and to properly adjust his or her own. On later stages, more complex emotional tools such as empathy can be used and exploited for the benefit of the individual and the group (Goleman, 1995). All these concepts are actually parts of the bigger construct that is EQ. In order to provide a complete understanding of EQ, it is necessary to clearly fathom what these components are.

2.3 The five Components of Emotional Intelligence and the Impact on Management

Goleman, being one of the most influential figures in the area describes that there are five components in EQ (1998) and why they are relevant to managers. These components can be grouped in 2 distinct areas, the first three are self-management skills and the last two are relationship skills.

The first of the components is Self-Awareness (SA) which is defined as having an extensive understanding of our own “emotions, strengths, weaknesses, needs and drives” (p.84); making those individuals with high SA aware on how their emotional state makes them feel and how these feelings influence others and their performance. SA does not only apply to feelings but ultimately to being aware of their own standards and goals, being able to judge oneself accurately (Goleman, 1998). This same author explains that the best way of identifying individuals with high SA is during the hiring process or in performance reviews; asking them questions on how feelings betraying them at some point. Those with high SA will likely respond by accepting failure.

The second element is defined as self-regulation (SR), as the ability to control or redirect disrupting instincts and moods that are innate to us and the predisposition to halt rushed judgment and to thinking before acting (Goleman, 1998). Individuals who are good at SR are more open to change and to ambiguity, meaning that they can create an aura of trust and integrity around them, making others feel good around them (Goleman, 1998) which is key for good teamwork. Goleman also explains that this particular component is paramount for effective leadership.

The third component is motivation (M), that Goleman (1998) defines as “a passion to work for reasons that go beyond money or status; a propensity to pursue goals with energy and persistence” (p.88). Highly motivated individuals are more likely to achieve and overachieve, not because of external factors, such as their salary but because it is a desire inside them. This is also a greatly desired characteristic in managers and leaders, according to the author, since these individuals tend to be optimistic and drive organizational commitment.

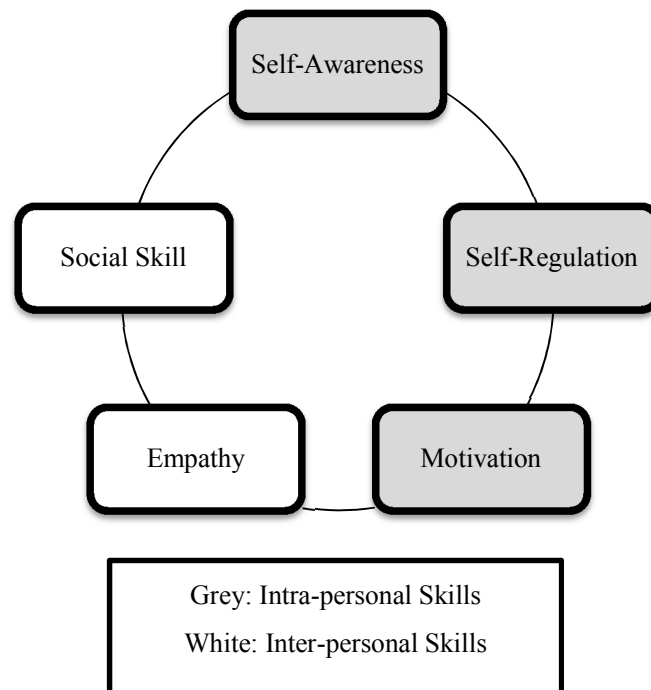
Empathy (E) is the fourth component of EQ. Empathy can be defined as the skill that allows individuals to treat people consequently to the emotional reactions that they express (Goleman 1998). The same author explains that empathy has nothing to do with adopting other emotions and embracing them as your own but as a skill that makes the subject aware of concerns that others have, their needs or feelings in the process of taking

smart decisions. Managers that have an evolved sense of empathy are able to service customers' better, retain and build talent and are more aware of cross cultural issues by being able to read the invisible cues in the environment (Goleman, 1998).

The final component is Social Skill (SS) which is defined as a “proficiency in managing relationships and building networks, and an ability to find common ground and build rapport” (Goleman, 1998; p.88). According to Goleman, this skill is the zenith of the other components of EQ, since it is necessary to master all other four components in order to have good SS abilities. Managers that have proficient social skills are able to effectively build and lead teams, even when radical change is needed. These individuals are also good with soft skills such as persuasiveness and are more likely to achieve goals.

As a final note, Goleman (1998) explains that these five components are of great importance to any manager, yet high Intelligence Quotient (IQ) and the appropriate technical skills are also necessary. EQ needs to go hand in hand with traditional intelligence and technical ability. All five components can be seen in Figure 2.

Figure 2. The Five Components of Emotional Intelligence.



Source: Goleman (1998); Graph: Own creation

2.4 Different definitions for Emotional Intelligence

Considering that the concept is widely used in the academic world, there seems to be some controversy regarding the actual conceptualization of EQ (Bar-On, 2006; Lievens & Chan, 2010; McEnrue, Groves, & Shen, 2007; Mersino 2007; Giorgi, 2013; Silong, Shahhossein, Ismaill, & Uli, 2012). This debate divides the definition of EQ into two deviating theories (Giorgi, 2013; Silong, et al. 2012; Rosete & Ciarrochi, 2005):

- EQ as mixed model – In which EQ agglutinates mental abilities with other personal attributes, portraying it as a “non-cognitive intelligence”. This conceptualization is mainly supported by academics such as Bar-On and Goleman.
- EQ as an ability based model – Identifying EQ as standard intelligence similar to cognitive intelligence (i.e. IQ) and backed up by academics such as Salovey and Mayer.

2.4.1 The Mixed Model

Mersino (2007) and especially Bar-On (2006) give similar definitions yet, in the case of the latter, Bar-On cites the Encyclopedia of Applied Psychology which identifies the following conceptual layouts:

- The Goleman model that classifies EQ as a series of varied competencies that encourages managerial performance; defining it as “the abilities to recognize and regulate emotions in ourselves and in others.” (Goleman & Cherniss, 2001 p.2). According to Bar-On (2006) EQ is measured through multi-rates assessment methods.
- The Bar-on model, defined by himself as a model that describes “a cross-section of interrelated emotional and social competencies, skills and facilitators that impact intelligent behavior, measured by self-report (...) within a potentially expandable multi-modal approach including interview and multi-rater assessment” (Bar-On, 2006, p.2)

On this same line Giorgi (2013) explains that EQ is a competence made of social, emotional and personal abilities, suggesting that its core components are centered around “self-awareness, personal motivation, the capacity to establish adequate empathy and the managing of social relations” (p.5). From this perspective, EQ is a skill that can be learned and practiced, suggesting that the individual, who exercises on this particular area, will be able to master it (Mersino, 2007; Goleman, 1998).

2.4.2 The Ability Model

On the other hand, the alternative definition of EQ supported by Salovey and Mayer is also explained in the aforementioned Encyclopedia of Applied Psychology as “the ability to monitor one’s and other’s feelings and emotions, to discriminate among them and to use

this information to guide one's thinking and action" (Salovey and Mayer, 1990, p.189). It is interesting to state that this definition of EQ is actually the most popular and accepted by most academics, even Goleman and Bar-On, since it does not interfere with their model; it is just the foundation (cognitive vs. non-cognitive) that they do not agree with (Mersino, 2007). According to Giorgi (2013) The Salovey and Mayer vision is encompassed in the Four Branch model which includes abilities that:

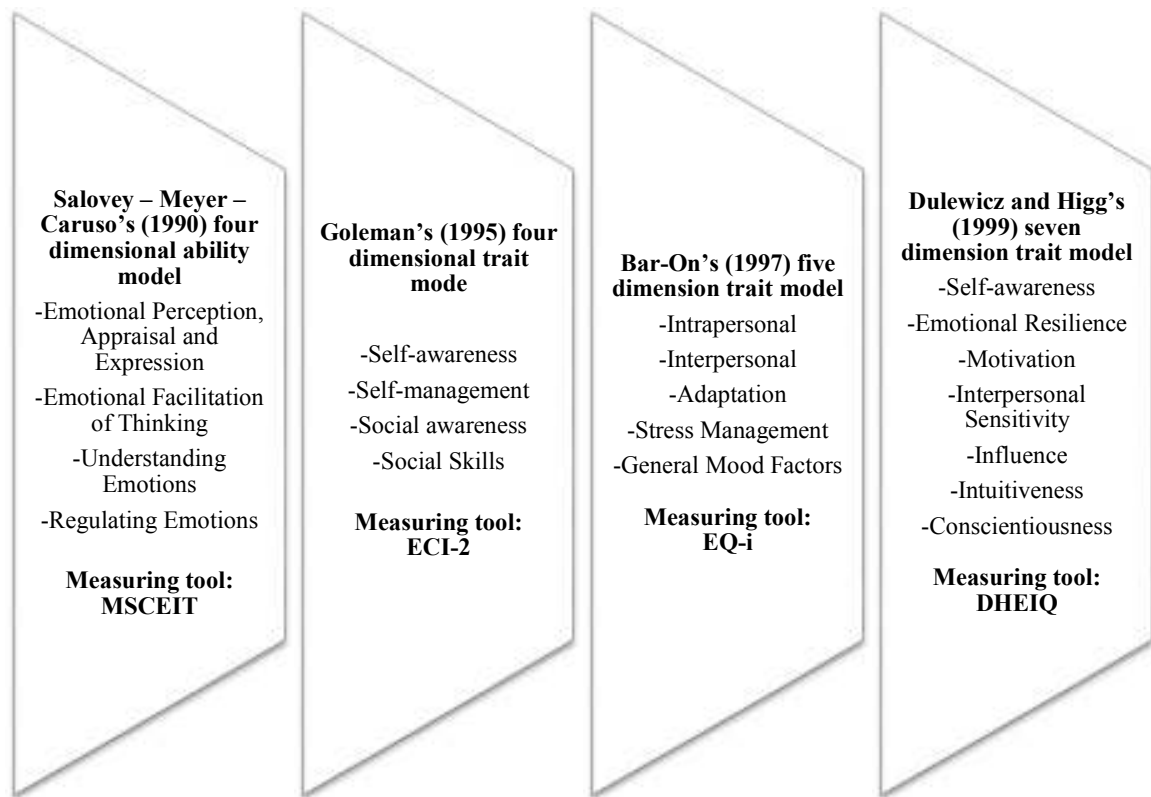
- Recognize emotions in others and oneself accurately
- The usage of feelings in order to assist thought
- The understanding of emotions and their language alongside with the signals that they convey
- The management of emotions in order to accomplish specific objectives

This model equates EQ in a similar level to traditional cognitive intelligence, inferring that such an ability will develop on the individual over time, and can be measured with performance-based methods of testing (Silong, et al. 2012) or ability-based measures (Bar-On, 2006). For the purpose of this paper, it is more relevant to focus on the mixed model conceptualization.

2.5 Measuring Emotional Intelligence

Due to this considerable significant array of options, McEnrue, Groves, & Shen, (2007) provide a summary of different and most commonly used models and how they measure EQ. Said variety mostly depends on which of the two conceptualizations is being considered; the MSCEIT for the ability based model and ECI-2, EQ-I and DHEIQ for the mixed model.

Figure 3. Most Common Measuring Models for Emotional Intelligence



(Source: McEnrue, Groves, & Shen, 2007; Graph: Own creation)

2.5.1 MSCEIT

The Mayer-Salovey-Caruso Emotional Intelligence Test version 2.0 (MSCEIT) is an ability-based test proposed to measure the four subdivisions (perception, use, understanding and regulation of emotions) of the EQ model presented by Mayer and Salovey (Salovey & Brackett, 2006). This test is an evolution from a previous version, the multifactor emotional intelligence test and has now been shortened and updated leading to the current 2.0 version (Salovey & Brackett, 2006).

Once the test has been completed, seven scores are obtained; a total score, two area scores (comprised of the combined scores of perception and use divisions and the combined score of the understanding and regulation) and one score for each of the 4 dimensions

(Salovey P. , Mayer, Brackett, & Rivers, 2008). The test *per se* comprises a list of 141 items, broken down in 8 tasks (two for each subdivision) and requires between 30 to 45 minutes to complete (Maul, 2012; Salovey, Mayer, Brackett, & Rivers, 2008).

Regarding the validity of the test itself, Chopra & Kanji (2010) reveal that there are several critiques to the model, stating that it might be skewed by focusing more on conformity more than ability, yet research literature shows that it is a very acceptable form of testing and even though interpreting the scoring system may be challenging (Maul, 2012) that its consistency is generally accepted by the academic community, being one of the most popular EQ measuring tools (Salovey & Brackett, 2006; Salovey, Mayer, Brackett, & Rivers, 2008).

2.5.2 ECI-2

According to the ECI-2 Technical Manual (Wolff, 2005), this testing instrument is “a 360-degree tool designed to assess the emotional competencies of individuals and organizations. It is based on emotional competencies identified by Dr. Daniel Goleman in “Working with Emotional Intelligence” (1998), and on competencies from Hay/McBer’s Generic Competency Dictionary as well as Dr. Richard Boyatzis’s Self-Assessment Questionnaire” (p.2)

Some academics have pointed out that Goleman’s work has definitely popularized the concept of EQ but the scientific foundation of his work is a matter of dispute (Mayer, Roberts, & Barsade, 2008). On the defense of the ECI model, Wolff, (2005) presents several academic studies that state that the model has proven internal consistency reliability and good construct validity.

2.5.3 EQ-i

According to the creator of the model, Bar-On (2006), the Emotional Quotient Inventory (EQ-i) is a “self-report measure of emotionally and socially intelligent behavior that provides an estimate of emotional-social intelligence” (p.4). This same source states that EQ-i was a pioneer in the area by being one of the first models to be validated by peer reviews and to date; it has been one of the most used tools to assess emotional and social intelligence (Bar-On 2006). It is composed of 133 items (short statements) and uses a 5-point Likert scale to measure the responses, being suitable for any and all individuals that are at least 17 years of age and takes around 40 minutes to fulfill (Bar-On 2006). Once the responses have been collected, they produce a “total EQ score and scores on the following 5 composite scales that comprise 15 subscale scores” (Bar-On 2006; p.4).

The model itself has been continuously updated and perfected for the last two decades and the latest version includes a built in self-correcting mechanism that aims to reduce the effect of potential response bias (self-reporting model) within the results (Bar-On 2006).

2.5.4 DHEIQ

According to Pérez, Petrides, & Furnham (2005) this particular measuring tool is “based on Goleman’s (1995, 1998) books and was designed for use in organizational settings. It consists of 69 items organized into seven dimensions: “self-awareness”, “influence”, “decisiveness”, “interpersonal sensitivity”, “motivation”, “conscientiousness and integrity”, and “resilience”” (p.12). This same source point out that it even though it might be popular, it has seen little use from a scientific point of view and also needs more widespread information regarding how valid or reliable it is.

2.6 The possible benefits of Emotional Intelligence

After extensive research, EQ is mentioned in a numerous academic and professional journals, where most of them promote the fact that it can help individuals achieve a variety of benefits, both for their professional and personal lives.

As a popular and emerging topic in the human resource management world, EQ can help managers connect better to others and use empathy to foster understanding and better decision making (Mersino, 2007). Goleman (1998) also agrees with Mersino and explains that EQ can be learned in any stage and any time in one's life, making it a very practical human resource tool. Herkenhoff (2004) details a series of benefits of EQ usage in the work place such as reductions in turnover, thanks to reduction of stress from supervisors being culturally attuned, managers that are able to identify latent problems by being EQ savvy or increased sales by better integrating a team thanks to it.

From the perspective of effective leadership, Goleman (1998) states that “emotional intelligence is the *sine qua non* of leadership. Without it, a person can have the best training in the world, an incisive, analytical mind, and an endless supply of smart ideas, but he still won't make a great leader.” (p.82). EQ has also been associated to other positive benefits such as performance (Crowne, 2013; Wong & Law, 2002), better task accomplishment and more effective leadership skills (Crowne, 2013). Salovey, Lopes, Kadis, & Gall, (2006) also add that it can also add more benefits for work performance “by enabling people to nurture positive relations at work, work effectively on teams and build social capital” (p. 132).

On the same theme, Cherniss (1999) provides a compendium of 19 business cases that explain why EQ “contributes to the bottom line in any work organization” (p.1). These examples detail how EQ helps with better recruitment in the US Air Force by assisting in better selection of recruiters, increased productivity in high complexity jobs, increased turnover and reducing attrition in the staff, better forecasting thanks to more accurate self-assessment and higher optimism while decreasing stress in the workplace.

Goleman (1995) also cites a multitude of benefits that EQ can provide for the individual and are also beneficial in the workplace (Goleman & Cherniss, 2001), however, in their document “Emotional Intelligence; What Does the Research Really Indicate?” They cite several academic studies that link EQ with real world accomplishments independently of the model being used to measure EQ; mixed model (EQ-I and ECI-2) or ability based models like MSCEIT.

2.7 Critiques to Emotional Intelligence and Due Diligence

The idea that EQ is a great instrument that can be applied to any and all business solutions, in order to attain a variety of benefits has been showcased via examples or real life scenarios, like the ones portrayed by Goleman (1995), Cherniss (1999) or Herkenhoff (2004); yet it seems to be an exceptionally good tool. In order to practice due diligence, it is also important to consider what critics say about EQ and its implications.

There are several and varied criticisms to EQ as a whole; and these can be organized in two broad groups; those who do not acknowledge EQ’s conceptualization and foundations, and those who criticize EQ’s measurement systems.

Regarding the EQ conceptualization, once branch of skeptics do not even see EQ as a valid form of intelligence, mainly because a clearly defined and consistent conceptualization of the term is needed (Locke, 2005; Davies, Stankov, & Roberts, 1998; Waterhouse, 2006) or because the idea of making EQ as valid form of intelligence requires sound scientific evidence that some authors like Goleman fail to provide (Eysenck, 2000; Mayer, Roberts, & Barsade, 2008). Robertson and Smith (2001) also claim that there is a lack of valuable evidence to support the multiple claims of EQ.

One must also bear in mind that the vast amount of claims were formulated on the late 1990’s and early 2000’s. This was a time when EQ started to gain popularity and received a lot of criticism. The initial measuring techniques that appeared were unrefined

(Salovey et al., 2008), since then, most measurement techniques have been updated (i.e. ECI to ECI-2 or MSCEIT to its 2.0 version) and most of the allegations have been more or less cleared out thanks to verifiable evidence and numerous research. This can be seen especially after the publication of Goleman et al.'s (2006) paper "Emotional Intelligence: What Does the Research Really Indicate?". It is also interesting to see that it is being applied more popularly in the workplace and it seems to have positive effects (Stein, 2006).

Concerning the measurement of EQ, there seems to be one main topic regarding the actual nature of measuring. As mentioned above, some of the most popular measuring techniques are based on self-reporting techniques and 360 degree tests. Due to the nature of EQ, it makes the studied individual subject to a social desirable bias, which is defined by Paulhus (2002) as "the tendency to give overly positive self-descriptions" (p.50); this can affect the actual results, since the interviewees might not want to express their true feelings in front of a researcher that might not correlate to social norms. This issue can be managed by providing effective anonymous testing and confidentiality to test subjects. Another method that such tests include is validity scales in order to evaluate the consistency of the answers that are being collected and to detect false or inconsistencies. This will be detailed in the limitations section of this document. In conclusion, it can be seen that there is a significant amount of criticism to EQ, yet academics and practitioners are constantly improving and evolving the construct and measurement systems in order to create an accurate and useful tool that is alive, popular and ever-growing.

2.8 Emotional Intelligence in the Workplace

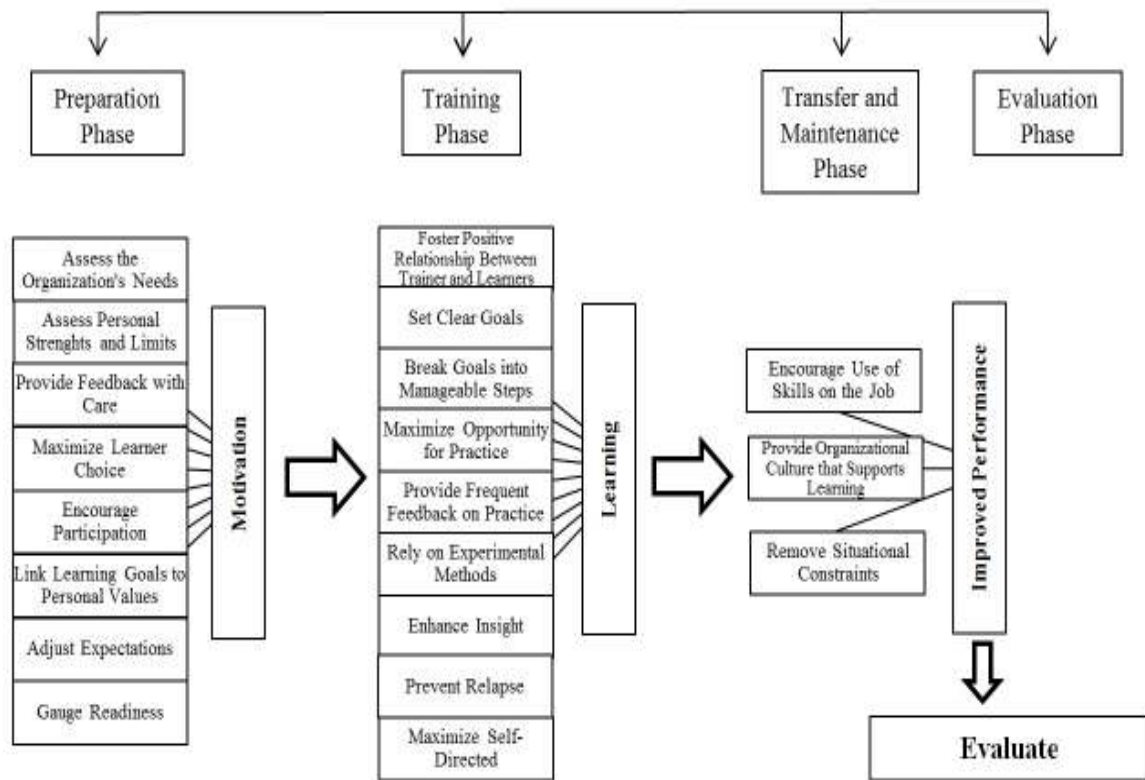
Because employees vary greatly, due to substantial differences in personalities and culture (Moon, 2010; Shipper, Kincaid, Rotondo, & Hoffman, 2003; Gunkel, Schlägel, & Engle, 2013) training staff can be a challenging task.

In a technical report elaborated by (Goleman, Cherniss, Emmerling, Cowan, & Adler, 1998) it was estimated that losses accounting "between 5.6 and 16.8 billion dollars" (p. 26) were incurred by American companies by not implementing proper EQ policies.

This realization suggested that companies should focus on training their workforces in EQ, however, can EQ be taught? In the report, Goleman et al. (1998) explain that there is a certain level of uncertainty shared by academics and practitioners alike. According to these two authors, mastering a level of emotional competence requires not only cognitive learning (adding new information in the brain to existing frameworks) but also emotional learning (changing the way individuals think, their habits and how they react), being the latter more complex than the former; since one must first “unlearn” a previous habit to implement a new one.

This suggests that EQ can effectively be taught yet it is no easy task. The main problem seems to be that most companies that actually try to train their employees are not effectively doing so (Goleman et al., 1998); due to antiquated training programs based more on “familiar training sessions on human relations, achievement motivation, stress management, and conflict resolution.” (Salovey, Mayer, & Caruso, 2002, p. 166). In order to tackle this issue, Goleman et al. (1998) provide a series of guidelines (See Fig. 4) to effectively plan and implement programs, regardless of the varied backgrounds in personnel and aimed at increasing the EQ of employees.

Figure 4. The Optimal Process for Developing Emotional Intelligence in Organizations



(Abridged from: Goleman et al., (1998) p. 7; Fig. 1. Bringing Emotional Intelligence to the Workplace)

2.9 About Iceland

Since the study was conducted in and about Iceland, it is necessary to provide some basic information regarding the current state of the economy and the corporate landscape.

The republic of Iceland is located the north Atlantic between North America and Europe (Central Intelligence Agency, 2014). Being the second largest island in Europe, with a total surface of 103,000 square kilometers (Iceland Trade Directory, n.d.) and a population of 325,260 people (Statistics Iceland, 2013). The capital is Reykjavik, which has

the vast majority of the population in the country, Icelandic being the official language and where English is commonly spoken and understood (Promote Iceland, 2011).

Iceland has been inhabited since the eight century, enjoying independence until the 15th century, when it fell under the crown of Denmark until 1843. The country remained under its rule until the parliament was reinstituted and finally obtained its current status as an independent country in 1944 (Iceland Trade Directory, n.d.). According to the Government Office of Iceland website, the country is “a constitutional republic with a multi-party system. The head of state is the President. Executive power is exercised by the Government. (...) Iceland is a constitutional republic with a multi-party system. The head of state is the President. Executive power is exercised by the Government.” The same source explains that elections happen every four years.

Regarding its economy, The CIA World Fact Book reports that Iceland’s economy is a “Scandinavian-type social-market economy” that combines both a capitalist-free market configuration alongside with a broad welfare system, in which the pillars of the economy are fisheries, aluminum, geothermal power generation and tourism (Central Intelligence Agency, 2014). The report also explains that there is a significant growth and diversification of its economy, especially in the sectors of high technology and pharmaceuticals.

The latest study from country’s Central Bank, agrees with the aforementioned report regarding the importance of such sectors and goes further by stating that traditional activities such as fisheries are generally oriented towards exports (66% of all production leaves the country) and aluminum production comprises 80% of all manufacturing. (The Central Bank of Iceland, 2012). According to the same source, this is a very unique combination, especially the aluminum production, being viable due to the abundance of inexpensive and renewable electric supply. Tourism is growing at an astonishing rate (100% more tourists in the last 10 years) giving the sector more relevance than ever for the economy alongside the expanding number of firms in the technological sector that

encompasses “medical, ICT, computer games, logistics, and operating management systems” (p. 21) (The Central Bank of Iceland, 2012).

In order to get a more holistic view of the current state of the economy, the key economic figures, according to the latest information available in Statistics Iceland:

Figure 5. Key Economic Figures

| Key Figures | |
|-----------------------|------------------|
| Population 4th q 2013 | 325,620 |
| Economic growth 2012 | 1.4 |
| GDP 2012 MISK | 1,698,492 |
| CPI - January | 415.9 |
| Wage index, Dec. | 463.8 |
| BCI - for Feb. | 118.9 |
| PPI - December | 198.8 |
| Fish catches, Dec. t. | 50,421 |
| B.trade, Nov. MISK | 12,485 |

Source: Statistics Iceland Website – Key Figures (2013); Graph: Abridged from the Website

Since the economic crisis of 2008, the country has lost a significant amount of purchasing power parity due to its important public and private exposure to the financial crash, an internal banking meltdown and a sizeable housing bubble; yet the economy is slowly achieving gross domestic product growth, with small increases in 2011 and 2012 (Icelandic Chamber of Commerce, 2013). This last report explains that risk in the financial system has declined and markets are slowly opening, suggesting that the market is picking up. With high Gross Domestic Product per capita, top tier education and advantageous key factors such as abundance of cheap and renewable electricity and low unemployment, Iceland is well placed to compete in the globalized world in spite of its small geographical and population size.

Regarding the corporate landscape, “The most common and economically important type of business in Iceland is the limited liability company (corporation). Other structures

are partnerships, cooperative societies, businesses run by the self-employed and branches of foreign limited companies. Iceland has adopted the EU directive No. 21 57-2001 on Societas Europaea (SE) with Act No. 26/2004 on European Companies (SE)” (Invest in Iceland, 2013). Regarding the size of these companies, the Central Bank of Iceland reports that “In Iceland the division is such that 91.3% of companies count as micro entities, 7% as small companies and around 1.5% as medium-sized companies.” (p.6) (Einarsson, et al., 2013). The actual definition of small, medium and large corporations according current European law (The Commission of European Communities, 2003) is that “a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million“ (p. L 124/39) and that medium sized company “is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million” (p. L 124/39). Micro entities are defined as those firms that have less than ten employees (The Commission of European Communities, 2003) Anything that surpasses the the characteristics of a medium sized firm should be considered a large corporation.

Considering that Iceland is a member of the European Free Trade Association and the European Economic area, it has similar legislation to the European Union regarding company operation (Invest in Iceland, 2013).

As a summary, it can be seen that Iceland is a small but advanced economy, that has endured a severe impact from the global economic crisis yet it is slowly starting to grow. For the purposes of this paper, it can be appreciated that the vast majority of firms are very small in size which can be a small problematic when considering the scope of the paper, therefore sizeable firms will be targeted for the primary data collection. This will be explained in detail in the following chapter.

3. Methodology

This section will feature the rationale behind the selected methodology selected for the primary data collection, exposing the gaps in the literature, the research questions and hypothesis and structure for the selected interviews.

3.1 Research Gaps in the Literature

The purpose of this study is to identify if EQ is known, being used and how it is being implemented by managers in Iceland. After significant research, there are two major gaps in the literature: a significant lack of evidence for the actual implementation of EQ in Iceland and also an absence of practical information (i.e. studies, reports) from academics and practitioners. The most plausible explanation for this factor is the limited size that the country has, the relative small size of the majority of firms and the fact that reliable sources are scarce in other languages; namely in English. This therefore suggests that a need for descriptive approach is needed.

3.1.1 Research Questions

After identifying the research gaps, posing accurate research questions to fill said gaps is paramount. According to Aaker, et al. (2010), the research question is “the statement(s) of what specific information is required for progress toward the achievement of the research purpose” (p.632). Considering the above literature, these are the main goals of the study, condensed in research questions:

- RQ1 - AWARENESS - Are Icelandic managers familiar with the concept of EQ?
- RQ2 - IMPLEMENTATION - How is EQ being used by managers in Icelandic firms?

- RQ3 - CONSEQUENCES – What is the impact of EQ on employees from the managerial point of view?

3.1.2 Hypotheses

Hypotheses are potential answers to the research questions in any particular study (Aaker, et al., 2010). In order to address the research questions, and generate viable hypothesis it is interesting first to assess what does the literature say about the research questions.

Firstly, Icelandic managers are most likely aware of the concept of EQ. According to the literature (Bar-On, 2006; Chopra & Kanji, 2010; Mayer, Roberts, & Barsade, 2008; Mersino, 2007) the concept emerged in the 1990's but has been embraced widely and is significantly popular worldwide. Considering that there is no relevant information in this particular case in Iceland, this is the initial concern of the study, to establish if the idea is acknowledged in the country.

Once the degree of popularity and acceptance of EQ has been established, the logical step is to identify how is EQ being used. The actual implementation and development seem to be crucial (Goleman et al., 1998; Salovey, Mayer, & Caruso, 2002) so assessing first, if it is being used and secondly; how, can provide great insight to this study.

Following what the literature advocates, there are many benefits of EQ for companies and managers alike (Cherniss, 1999; Herkenhoff, 2004; Mersino, 2007; Crowne, 2013; Wong & Law, 2002) EQ provides many benefits and advantages; suggesting that the implementation and usage of such policies can be very beneficial, yet, how can these benefits be measured or compared between industries?. There are no reports available that can corroborate these claims for the particular case of Iceland.

Considering all of this, a series of answers that stem directly from the literature review can be established.

- H1– Most managers are aware of the idea since it is a very popular concept
- H2 – EQ is being actively or passively implemented, even when managers are not aware of EQ as a concept in firms and by managers.
- H3 – EQ is seen as a positive force from the point of view of managers that can help firms and workforces in diverse ways.

This research paper is qualitative in nature, since the main topic being studied; EQ is heavily influenced by the subjects' opinion, views and practices. When considering this comparability issue and the third hypothesis, there is a key problem regarding the evaluation of the “positive impact” as such. Measuring or even identifying what job performance is, for example, is extremely subjective, alongside with other benefits described in the literature. Bearing this mind, it has been decided to take into consideration what managers' opinions are, better than other measuring options. This will be defined later on in the question section of the methodology.

Under the qualitative studies, there are several and distinct types of research (Aaker, et al., 2010). In this study, exploratory research has been chosen since its main aim is to seek understandings into the general nature of a problem where there is little information to begin with, or as Aaker et al. (2010) see it as, “research that usually is designed to generate ideas when hypotheses are vague or ill defined” (p.627). This same source explains that this type of research is preferred when there is little preceding knowledge on the subject (creating tentative hypotheses) and where flexible and qualitative methods are preferred in order to provide the most comprehensive approach. The actual research is done through individual, semi structured interviews with fifteen managers in Iceland, from companies that represent the main industries in the country.

One of the main areas of concern during the actual data collection is the language barrier. Even though the majority of professionals have excellent language skills and are quite proficient in English, by conducting face to face interviews the interviewer will be

present and can correct or explain any possible misunderstandings that might arise and get lost in translation.

3.2 Research Design and Approach

In this section, the justification of the selection of interviews as a preferred method of data collection is vindicated, alongside with its benefits and drawbacks.

3.2.1 Why interviews? Benefits and Drawbacks

As mentioned above, in-depth interviews (IDI) have been selected as the main tool to obtain the primary data necessary to cover the research purposes of this paper.

According to Aaker et al. (2010), individual IDI are “conducted face to face with the respondent, in which the subject matter of the interview is explored in detail” (p.151). The same source explains that interviews have two main varieties: nondirective, where the respondent has a major amount of freedom to respond and semistructured, where the interviewer has a set of questions that cover the topics, and the interviewee has lesser freedom, yet there is still room for the interviewer to probe for new ideas that might emerge.

The benefits of IDI’s are their quality and validity due to their detailed information (Boyce & Neale, 2006), their depth, because it “uncovers what is usually hidden from ordinary view or reflection” (Gubrium & Holstein, 2002; p.106), the advantage that respondent can influence the subject, so unexpected issues/topics could arise, providing more depth and finally their efficiency and value since they gather more information and have more relevance than other similar methods, such as focus groups (Aaker et al. 2010). There are however, some disadvantages to IDI’s. According to Boyce & Neale (2006), one of the main problems is that there is a tendency to bias, due to pleasing the interviewer or because their stake in the matter at hand is of great importance. Another issue is that

IDI's are very time consuming both for the interviewer and interviewee, posing problems not only to get the interviews per se, but for the data analysis (Boyce & Neale, 2006). One final problem has to do with the external validity or reliability of IDI's. Aaker et al. (2010) suggest that small samples can create artificiality in the responses that cannot be generalised to the total population apart from being very difficult to repeat consistently. Most of these grievances can be accounted for and diminished before and during the data collection, making them much less relevant than they might appear.

For this particular case, and considering the descriptive nature of the research, in order to assess the different aspects of EQ, a structured interview would not suffice. There is little to no prior information about this subject (i.e. no reports or prior studies), suggesting that there might be very valuable information untapped that cannot be foreseen or predicted; by allowing a semi structured interview, the researcher has the freedom to explore an unknown perspective at ease. All this potential information might be lost if surveys are conducted. As abovementioned, language is also a barrier while collecting data. By ensuring that the interviewer is present during this process, any issues with misunderstandings and or misconceptions can be solutioned as they occur.

3.2.2 Interview Data Analysis

For the qualitative data analysis, the responses for the interviews have been transcribed (in bullet point format), studied and their results scrutinized. In order to do so, all interviews have been recorded, providing anonymity at all stages in the process. A sample copy of the questions has been added to the appendix of this document. Transcripts with bullet points with the most relevant information on the responses of interviewees have been sent to the participant managers, and their approval has been given to use said information. This was done in order to make sure that the information obtained was correct and also to verify that no sensitive boundaries were crossed.

3.3 Interview Structure and Layout

3.3.1 Introducing Emotional Intelligence to Managers in the interviews

Even though the literature suggests that EQ is a well-known concept, there is the looming possibility that it is unknown or confusing for managers during the interview process. If one considers that there is not information available on the subject in Iceland, this might be a sign that it might have penetrated the country as a whole. Only part of the interest of this paper is to identify if managers are aware of EQ, it is also interesting to see their attitude towards it. By introducing the concept in a clear and non-biased way, it can be ensured that the estimation of those who do not know about EQ is also considered.

There are some issues that EQ has, that need to be engaged in before the actual interviewing process takes place. As discussed above, there are several conceptualizations of EQ, all with varying degrees of complexity. For comparison and later analysis efficacy, a single and homogeneous concept of EQ should be used in the data gathering process. As discussed, there is also the probability that the interviewee might not be familiar with the concept itself. In order to solve these two issues, a short three minute PowerPoint presentation on the definition and basic principles of the concept alongside with common misconceptions about EQ will be shown to all participants prior to the interview.

In order to provide a straight forward approach and to follow with the existing literature, the presentation will be based on Goleman's (1998) definition and five components of EQ. The rationale behind this is due to Goleman's specific orientation towards managers in his studies, which are clearer and more practical than other conceptualizations and structures available and accommodates better for the purpose of the research of this document.

The presentation has intentionally been designed to provide the most basic and necessary information, avoiding any topics regarding benefits, previous studies on the subject or even the controversies around it in order to prevent the subject to fall into any assumptions. One clear problem in this study is bias. By providing an in-depth presentation the results might be skewed by leading the responses. A sample of the presentation can be found in the appendix section of this document.

3.3.2 Interview Structure

In this section, the questions that will be posed during the interview process will be explained and justified with the appropriate literature. There are a grand total of fifteen questions for the interviewees with a semi-structured framework; the first five are purely introductory and aim to identify the general aspects of the firm.

- Area of business – What Industry do you operate in?
- How many years have you been in business?
- How many employees does your firm have?
- What is your average yearly turnover?
- Does your firm operate on a national or international level?

These questions help with the categorization of the firm and later on in the discussion, aiming at identifying differences in how EQ is implemented and the impact that it has according to their managers. This information will not be disclosed in the document due to anonymity reasons.

Regarding the main questions, there are ten open questions aimed at fifteen Icelandic companies. In order to provide a complete and broad picture of the situation in the country, the aim is to interview human resource managers from corporations that are part of the most relevant sectors in the economy of the country, bearing the external validity of the project in mind.

As exposed in the literature section of this document, the main economic sectors revolve around fisheries, industrial products, high technology and tourism. Considering this, a selection of the most representative firms in these sectors has been selected (See in Table 1).

One must also pay attention to the size of the companies in the country; mostly being micro companies (less than 10 employees) it is safe to consider that such entities lack a formal structure and do not have a formal human resource management department or even personnel dedicated to this task, due to their small size and limited budgets (Markman & Baron, 2003). On this same line, Cardon & Stevens (2004) say that “In small firms, where resources are likely to be scarce, there may be a very small number of formal HR (Human Resource) departments or professionals, increased difficulty in recruiting and retaining employees due to lack of financial resources, and an increased reluctance to engage in costly or restrictive practices.” (p. 297).

Taking all of this into consideration, it would be more beneficial to aim at larger corporations that have active human resource departments and budgets to implement more advanced and intricate human resource policies. All the firms participating in the research are key players in their segments and have been selected due to their significant positions and development in the Icelandic economy.

Table 1. List of Interviewees

| Company | Industry |
|----------------|----------------------------|
| A | Engineering |
| B | Fishing |
| C | Anonymous |
| D | Hospitality - Restaurant |
| E | Infrastructure |
| F | Retail |
| G | Communications |
| H | Hospitality |
| I | Hospitality |
| J | Utilities |
| K | Industrial - Manufacturing |
| L | Consulting |
| M | Software |
| N | Hospitality |
| O | Anonymous |

3.3.3 Interview Questions, Rationale and their Relation to the Literature

In this section, the interview questions will be posed and their rationale explained, pairing them to the relevant literature. The interviewees answered these questions after completing the introductory queries and after the PowerPoint presentation had been delivered.

1. What aspects and skills do you find crucial in your staff and why.

This question aims to identify what are those aspects that managers find more relevant and important at work. The justification here is to see if they are somehow related

to what it is exposed in the literature. This question is most interesting just after the EQ presentation, when the concepts are fresh in the mind of the interviewee. It should be noted that the PowerPoint presentation was at the disposal of the subjects at any time in the event that they might need to recapitulate.

2. In your opinion, what role do emotions and feelings have regarding the performance of you and your staff?

According to Goleman (1995, 1998), emotions play a crucial role, and through this question, the actual practitioners' perception of emotions can be assessed. This also shares a similar rationale as question one. Since measuring performance is quite difficult, due to the broadness of the concept, it has been decided to ask the interviewees to provide their own opinion on the subject.

3. Are you aware of the concept of Emotional Intelligence (Tilfinningagreind)?

As expressed in the literature section, EQ is a very popular concept (Goleman & Cherniss, 2001; Bar-On, 2010; Dulewicz, Higgs, & Slaski, 2003; Chopra & Kanji, 2010; Mayer, Roberts, & Barsade, 2008). This question mainly aims to identify if the respondent is familiar with the concept. The first Research Question is directly linked to this. After some input from actual participants, it was decided to include the translation of EQ in Icelandic in order to provide more clarity, since language was a concern in the trial interview.

4. What motivation techniques are being used in the company?

This question relates directly to Goleman's (1998) five components of EQ. Motivation drives commitment to the organization and keeps workers happy. Motivation

can have many different forms, yet the purpose here is to see if it is being utilized according to what the literature suggests.

5. As a manager, do you use Emotional Intelligence? If so, please state how.

There is a vast amount of different ways of applying EQ (Mersino, 2007). This intends to probe how EQ is really employed and also targets the main purpose of the second Research Question. The expected result is that even if it is not being implemented directly, it is most likely that some forms of it (i.e. social skills, empathy or motivation) are actively being utilized.

6. Is Emotional Intelligence an active part of the human resource policies in your company? Please explain.

As mentioned above, EQ is popular amongst academics and it is used in hiring (Mersino, 2007), therefore it would be interesting to evaluate if companies are using it as a core strategy or otherwise and if they do, to assess what is it being used for (i.e. hiring, performance assessment, teamwork evaluation, stress management, etc.)

7. What aspects of Emotional Intelligence do you find more relevant for your company and why?

The basic aspects of EQ have been introduced to the interviewees before the start of the questioning; therefore all participants have a similar baseline to answer on, which will revolve around Goleman's five components of EQ (1998) since they are particularly created for management. Every job has different priorities; therefore it demands different needs from different individuals. EQ according to Giorgi (2013), it is a mixture of social, emotional and personal abilities. The aim of this question is to identify if there is a common trend depending on the industry or company size.

8. Is the Emotional Intelligence of staff measured or evaluated in any way? If so, please state how.

As explained in the literature, there are very different ways of measuring EQ (McEnrue, Groves, & Shen, 2007). This query will provide firsthand approaches on what measurement techniques are being used and if they correlate to what is being debated in the academic world. It is known that there are different adaptations of the different measuring models, making it interesting to explore why the firm or manager chose that specific model above others or if they use a customized one.

9. Are there any Emotional Intelligence training programs available in your company? If not, is there a plan to integrate them?

There is some criticism regarding EQ training in the professional world (Salovey, Mayer, & Caruso, 2002). It will be interesting to see if firms have any programs devoted to emotional training and if they are, how are they being planned and implemented, since the actual process of development seems to be crucial for its success (Goleman et al., 1998).

Also, this question acts as a control; for example, if a manager says that EQ is most important, yet, there is no current or future plan to implement such measures, the follow-up question would be “why?”, providing valuable insight to probe further into the reason why is EQ not being used or to assess if the previous statement was not true.

10. Could you describe the impact that Emotional Intelligence has on you and your employees? If you do not use Emotional Intelligence – What impact do you think it would have? Please explain.

According to the literature, there is a significant amount of positive effects that properly trained managers and staff in EQ can bring to the firm (Cherniss, 1999; Herkenhoff, 2004; Mersino, 2007; Crowne, 2013; Wong & Law, 2002). This question also aims to answer the third research question; to see the real life impact of EQ on Icelandic

workforces. As described above, measuring the impact on the workforce can be particularly challenging, and drawing correlation is not possible due to the nature of this research. The best way of evaluating such impact without deviating from the main topic is to simply assess the opinions of the interviewees and to enquire on how they personally observe the impact of EQ.

It should also be pondered that some managers may not be excessively familiar with EQ, yet it is still interesting to see what their professional opinion is; regarding a theoretical implementation and outcome of EQ policies in their firms.

3.3.4 Ethical Issues and Anonymity

Most of the topics that are being studied here are very sensitive in nature, since most relate to specific companies and how do they manage their staff. Bearing this in mind, all interviews were recorded with a Dictaphone, in order to be able to extract and analyze the data. They are also informed that there is no obligation to answer any and all questions asked.

Some of the companies expressed their concern about not mentioning the specific industry they operate in. This is due to the small size of the country and the low number of firms operating in the market, making it a potential distress that their names and their firms could be easily identified, making imperative not to mention any unambiguous details.

A copy of the recording and a transcript was provided to the participants for their review. All interviewees were informed of these considerations beforehand and were offered complete anonymity through a non-disclosure document. A copy of said document can be found in the appendix of this paper.

4. Findings

In this section, the most relevant information obtained in the interviewing process has been detailed. The data is developed by grouping the answers from all interviewees according to the relevant interview questions.

4.1 Layout of the Findings

One initial clarification needs to be carried out. One of the interviewees was a manager in a consulting company. It was deemed more appealing to assess the understanding of EQ and its implementation and consequences for firms in Iceland more than only assessing how they are implementing EQ, since this company is one of the early adopters of Goleman's work in the country. The rationale behind this decision was due to the extensive expertise of said manager and the company in this area. The result of this particular interview will be assessed independently for the rest of responses at the end of each section.

4.2 Interview Results

In question one, interviewees were asked to state what aspects and skills they found more relevant in their workforce. There were some common trends that seem to be particularly recurring in the responses. Nearly half of the respondents expressed that there is not one, ideal single mix of skills that are especially relevant, since different skills are needed for different jobs. Most of them expressed that their corporations are large enterprises that have multitude of different jobs that require different combinations of skills.

When asked what skills would be preferable across different levels within the company, a third of the contributors suggested the significance of good communication skills between employees and staff, and between different departments as a desirable

expertise. When asked why, the responses made reference to better goal acquisition, better performance and lower failure rates in teams that had better communication skills. Social skills are deemed as crucial by most participants. By social skills, it is meant as a set of skills that enable individuals to relate better to others and to manage social interaction. Several interviewees expressed that different skills not only vary between different departments but also depending on the management level; making a clear distinction between the skills that managers need and those that the rest of employees require. When asked if there is a difference in relevance between social skills or technical skills, most respondents agreed that social skills are more important for managers and technical skills are usually preferred on non-management positions. Out of all participants, two firms were the only ones to express that technical skills were more important than any other skill for their staff. Both companies provided a similar rationale behind their response; the industries where these firms operate make it an absolute necessity to be proficient at such skills for idiosyncratic reasons.

In this particular question, the manager from the consulting company (CC) explained that to his view, social skills are paramount since the reason people do the things they do, are directly tied to their emotions and feelings as they guide actions and motivations in the individual. The manager also mentioned that one of the key practices in their consulting business is to relay the importance of realistic self-assessment when training other managers since they reveal the strengths and weaknesses in the individual.

Concerning question two, managers were asked what role emotions and feelings have regarding the performance of their staff; to which all respondents bar one, reflected that the former and latter have a significant impact at the workplace. When participants were asked to state why, the answers reflected on the importance between the link of emotions and decision making, in stress management and coping with uncertainty, as an integral part in building trust and fostering good communication. One of the managers mentioned that for their particular line of business, creating an emotionally stable environment for employees is of great value since it enhances job performance and reduces employee turnover. Two other responses mentioned a growing concern for them is the

tendency of blurring lines between family and professional life (i.e. working from home, no formal timetables). When both these lives intertwine, managers have expressed that stress and discomfort are the common result. One of the interviewees expressed that this particular subject is a top priority for their managers; to be able to prevent feelings and emotions from their staff's private life spilling over to the professional one.

Out of the companies with a distinct engineering/scientific background, one of the respondents explained that there is a characteristic “baby problem”. When engineers create a new product, a considerable amount of time and effort is normally invested from the personal point of view of the employee. When a new project is being evaluated or proposed, it might be discarded or negatively reviewed by higher ups without much consideration. According to the manager, this is sometimes taken as a personal affront by the engineer, since the project is his “baby”. This can stifle innovation and create unneeded emotional tension in the company. Dealing with such issues is of paramount importance for the HR department. One final remark makes reference to the importance of the industry where the firms operate. Two of the managers from the hospitality industry mentioned explicitly that emotions and feelings are tools that employees need to master, since dealing with people is intimately related to these two concepts.

Following the rationale from the previous question, CC's manager pinpointed that the impact of emotions and feelings in performance is critical due to their effect on the drive behind people's actions. The manager defined both emotions and feelings as a “system” and compared it to the operating system within a computer, stating that individuals are “hard-wired” making this “system” the precursor of actions that motivate the individual to perform and act in a particular way. Being able to control this “system” allows the manager to utilize his or her emotions to their own advantage. When applying this principle in the professional world, CC' manager stated that self-esteem, self-efficacy and self-awareness are the most common concepts when providing consulting services.

In question three, participants were asked directly if they were familiar with the concept of EQ before it was introduced to them in the presentation prior to the interview.

Only one of the managers interviewed was not aware of the concept, two managers had heard of it before but could not give specifics to what exactly it was and the rest had come across the concept and had read the works of Goleman (five of these had read at least a book or sections of it from said author) or other academics in the area. Even for those who were familiar with the concept, when asked to define it on their own words, different meanings from the standard definition appeared. When asked how they did come across the concept, most suggested that it was part of their graduate or postgraduate courses in HR management, as part of their formal education in university or similar programs or that it was recommended by them from other professionals.

The manager from CC remarked that EQ is central to daily work and decision making. When prompted on how he came across the concept, he explains that Goleman's work created a before and after moment after it was published in the mid 1990's, since emotions and feelings had little consideration in the academic world before such work came out. When prompted about the criticisms surrounding Goleman's theory and works, the interviewee commented that the works and studies of said professional are truly genuine and have been given more and more importance with time and have proven to be reliable.

Question four was trying to elucidate what different motivational techniques were being used currently in Icelandic firms. For these particular responses, there is a distinct lack of homogeneity in the responses. Five companies suggested that feedback to employees and managers was their preferred motivational technique since it helps them achieve their goals more efficiently and accurately by involving the employees with the objectives at a deeper level. This is done via performance appraisals on a regular basis (sometimes yearly and more regularly in other instances).

One particular interesting factor was the actual definition of said performance appraisal. One of the interviewees went into detail on how they are carried out. The manager mentioned that they are done at least on a yearly basis, in which all staff have to meet with their respective supervisors and their individual performance is reviewed. The most relevant fact here is that there is more emphasis done on assessing how the employee

is feeling towards the company and the objectives that have been assigned to him than actual performance; with questions such as “How are you feeling?, Do you like it at work? or a more general How is everything going?”. This is a goal setting interview but with the aim of identifying if the employee is happy, interested, or looking into job advancement among other themes. The manager expressly mentioned that the review is more of a conversation where both parties provide input and feedback from manager to employee and vice versa. In order to perform these, managers are formally trained and it is mandatory for all staff to participate. Even though different versions of these interviews are likely to occur by varying from firm to firm, six managers said that such performance appraisals take place in their companies. Four companies mentioned that bonus schemes are part of their motivational techniques, revealing that these are not companywide but job specific since different jobs require different motivational techniques.

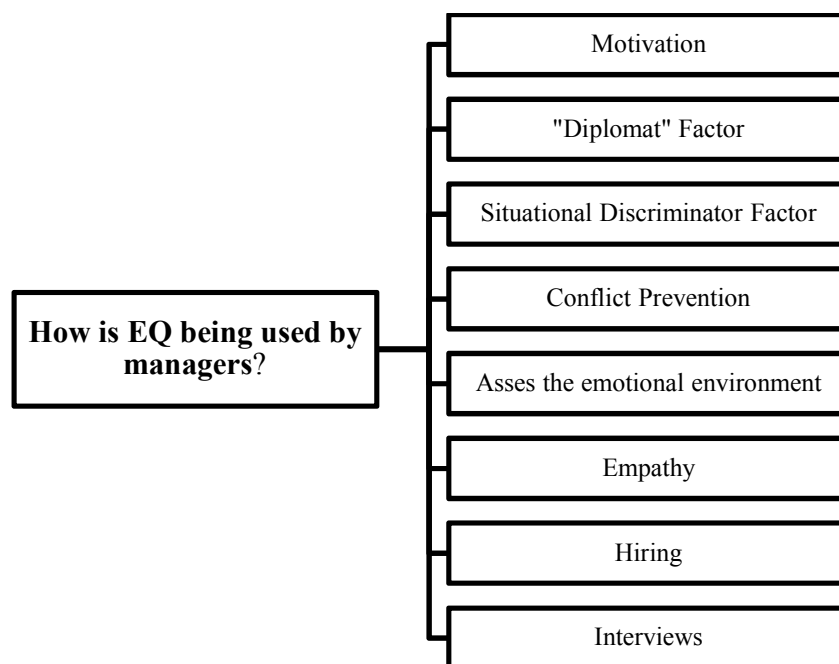
Other answers revolved around making employees more passionate and involved with their jobs and fellow workers as a motivational tool, by focusing on fostering competition between different subsections within the companies; such as store competitions, providing after-work activities and company amenities (winter ball, paid excursions, summer and winter gifts for employees), giving employees training and workshops with the aim of providing staff with a higher sense of achievement and develop their skills and paying special attention to transmitting their company values to the workforce. Those firms that were more engineering oriented, pointed out that “work in itself” is a challenge which provides an interesting environment acting as a great motivational tool. When asked about specific motivational objectives for managers, there is a common theme suggesting that most firms are trying to align the organizational goals to those of managers.

From CC’s manager perspective when consulting other companies, different projects require different motivational techniques, since the needs of companies vary. The manager expressed the importance of establishing trust as a first stepping stone for motivation. Trust is based on feelings and acts as a base for honesty, allowing staff and managers to express different opinions and deal effectively with conflicts. Once this step

has been achieved, managers can then focus on the true potential of their staff and help them excel.

As question five goes, managers were directly asked if they personally used EQ and more specifically, how. All interviewees except one revealed that they use EQ in some form or way. The use is mostly focused on around motivational purposes, for hiring processes and interviews, as a way to diffuse problematic situations, for managers to act as “diplomats” between departments, in the form of empathy to understand other or as a discriminator factor to prevent spillover effects (i.e. prevent one stressful meeting to spillover to the entire department by the manager) and assess the emotional environment in particular situations. The different uses can be seen in Figure 6.

Figure 6. Uses of EQ by Managers in Iceland.



When asked to develop the process further, most of the interviewees reflected that EQ is an internal process in the individual’s psyche, which is used reflexively or unconsciously in decision making and is part of the internal mental process of the manager,

making it difficult “to be turned off”. On this particular matter, one of the managers compared EQ to a “street-smart” or “sixth sense” since it is built-in the personality and acts as a significant advantage when honed appropriately, especially for management purposes.

In this particular subject, CC’s manager explicated that EQ was used by him as a measure for introspection, stating that managers do use EQ, since the “system” needs to be managed, if not, stress is likely to appear.

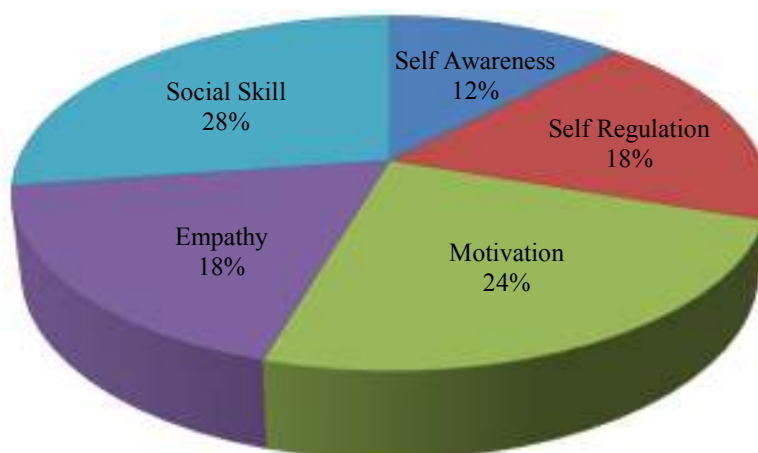
In question six, interviewees had to state if EQ was an active part in the managerial policies in their respective firms. Surprisingly, a vast majority of respondents declared that EQ was not an active policy (twelve responded negatively versus two affirmative responses). The two positive replies explained that EQ is a core element in their training and hiring, and that it is a specific tool for performance measurement and as an effective communication tool. Regarding the negative responses, some participants suggested in different ways that it might not be used as a strategy on its own, but more likely to be integrated within other policies and projects already operating in the firm, such as training or coaching. Two respondents mentioned that the concept has not been part of the general domain for too long, making its implementation a somewhat novel concept. One last interesting extract mentioned that after the concept was clarified for the interviewee, said manager now recognizes the impact that EQ has and considers maybe implementing it in a nearby future.

For the case of EQ being active in management across different companies, CC’s manager believed that it is commonly being used, even if managers in said departments are not fully aware of the concept. The reason behind this convictions lies on his belief that the principles behind the EQ theory are “there” (i.e. present in the individual) and it might be possible that actual professionals in the field are not aware that EQ is a concept in itself or recognize it by that specific name. Regarding the importance of EQ and emotions, said interviewee expressed that an increasing number of managers are realizing its importance. To prove this point, the manager explained that on the yearly performance reviews that are commonplace in the country, when employees are asked if they are happy in the company,

or about their morale, managers are ultimately asking about EQ even if they are not aware of it. When the manager was prompted to where would EQ be more necessary, he declared that it is always important; but it has special relevance when dealing with highly skilled professionals, in creative work and knowledge based companies.

Managers where asked in question seven to define what aspects behind EQ they found more relevant for their particular firm. Considering the broadness of the question, interviewees where recommended to choose between the five domains of EQ according to Goleman (1998) that they were given during the presentation at the beginning of the interview. The distribution of answers can be seen in Table 2.

Table 2. Most relevant Aspects of EQ - Distribution of Reponses for Goleman's 5 domains of EQ



Self-Awareness (SA)

Those managers who mentioned it as a vital skill, reflected upon SA as a key ability to deal with customers and clients effectively. One of the respondents mentioned that reading emotions is difficult and presumptions are dangerous. If one cannot understand his or her own feelings appropriately, it will be very difficult to be able to understand those of

others. Another respondent identified it as the origin of EQ for management, since without SA; none of the other domains can be employed correctly. Another answer linked SA to the particular needs of the industry they operate in.

Self-Regulation (SR)

Regarding this particular topic, respondents mentioned that this skill is particularly useful depending on their particular industry but most reach agreement mentioning that it applies for low skilled, manual labor employees. One manager expressed that this is also very relevant for customer complaint handling, since such situations; emotions can run high and create emotionally complicated conditions. Being able to prevent one's feelings from running amok is a key skill for their employees. Two other managers mentioned that SR is the follow-up step to SA.

Motivation (M)

This area of EQ is one of the most mentioned aspects by interviewees. The relevance of M according to them was seen as a key factor for employee retention and increasing employee performance, where one manager declared that "If we have motivated people I believe that we will succeed or be more likely to be successful". Two of the managers make the same point expressing that they operate in "People Businesses"; therefore having motivated staff is paramount for their success. Another interviewee mentioned that M is more important for managers than for other employees and makes reference to the fact that it is something that has to be done from one individual to another. On the opposite side, there is a comment from another executive stating that M should be something that the individual does independently (i.e. being able to motivate oneself).

Empathy (E)

In this particular concept, most answers revolved around the actual definition of E, as the key advantage for being able to relate to coworkers and clients. Those respondents that operate in the hospitality industry had more appreciation for the importance of this ability. In this same sector, one response reflected on its relevance, as a key tool to fight employee turnover, since a better understanding of the staff will make them feel more

appreciated. Another response makes reference to the actual products they manufacture, as they affect the life of their customers directly. By using E, they can understand the concerns of customers and provide a better service with higher quality.

Social Skill (SS)

The fifth and final domain of EQ was also the most popular. Most of the respondents reflected on the importance of SS at all levels inside the company, being however even more relevant for managers. It is also seen as a critical tool for effective management, and its effect on good communication and the relevance of SS in human interaction. Two managers expressly mentioned that SS is preferred over technical skills since they emphasize the importance of good teamwork and the need to address the customer face to face due to the industry they operate in.

When asked about the most relevant aspects of EQ, the manager of CC declared that those jobs that require a deeper human interaction rely more on SS and E, whereas those jobs that have low skilled employees SA and SR have a bigger impact; EQ is relevant for all careers regardless, but more important for some specific industries and jobs.

In question eight, interviewees were asked to explain how they would measure EQ from their own professional perspective. The most prevalent answers were regarding the difficulty in its measurement (five companies) and some openly expressed that they had not clear idea on how to measure EQ from an operational point of view (three firms). One of the firms directly stated that EQ is not measurable since there is a permanent conflict between the logical mind and emotions, making the results of any measurement unpredictable. Out of those managers that acknowledged that EQ is calculable and quantifiable, the most prevalent responses were to measure it via personality tests (i.e. Hogan personality tests), personal interviews (360° preferable) with role playing imbedded, customer feedback (i.e. questionnaires) or through the aforementioned employee performance appraisals. A couple of respondents stated that due to the lack of knowledge in the area, they would prefer to hire external consultants to measure EQ. One relevant response made reference to the reliability of testing, in which the manager expressed that

testing only provides a general sense of direction with a particular individual; yet interviews should be combined with other tests in order to achieve a more in-depth perspective. On a final note, one particular interviewee, with a broad experience in the managerial world openly declared that she had not come across any company that has actively measured the EQ of their staff and managers, stating that it is an unusual practice.

Regarding the measurement of EQ, CC's manager described that there are many different ways to assess the level of EQ in staff. Although when prompted, the manager could not provide what the best measurement system is, if he had to choose, the preferred method would be the Hay Group's Goleman Test, since it is meant for managers of all types. Bar-On's tests have also been used by the interviewee, but they seem to provide too much information that might not be ultimately relevant and might produce more harm than good in the data analysis. Regarding 360° reviews as a tool, the respondent reacted with skepticism since measuring SA, or SR by other individuals might be very complicated and could be misleading. He also mentioned that some of the questions in the 360° reviews can also prone to positive response bias.

Question nine aimed at identifying if there are any present EQ training programs available in Icelandic firms. All of the managers interviewed stated that there are no current training programs in this particular area. Four of the interviewees however suggested that parts of EQ are in place in some form (indirect or combined fashion) with current training programs since the principles behind EQ are acknowledged as relevant in other platforms. When asked if they would consider implementing EQ specific courses to the training programs already in place, six firms responded affirmatively and three expressed their lack of interest. Those managers that did not wish to implement such policies stated that the rationale behind their decision was due to a need for deeper knowledge in the subject in order to decide how to implement it or because it is already present in as a part of current training programs. Just a couple of firms considered the possibility of implementing a dedicated course in EQ to their staff.

When prompted about current EQ training programs in Iceland, the interviewee from CC expressed that to his knowledge there are no current specific EQ training programs operating in the country. At least not under the name of EQ, and if they were operating, it most like but it would be included in training programs or as part of them (i.e. stress management or presentation skills).

The final question in the interviews, number ten, asked participants to describe the impact that EQ has on their firms and, in the case that they did not use it, if they could elaborate on what effect they think it might have. Considering that only two managers expressed that EQ is an active policy in their companies (see question six), most of the answers collected there are from a conjectural point of view. The two companies that actively use EQ mentioned that is being used mostly in the areas of training and hiring. Most of the answers envision EQ as a positive impact for companies and employees alike. There were some common topics in said responses:

- Benefits for staff and the company
 - Higher employee satisfaction and commitment – More empowerment
 - Higher loyalty (reducing employee turnover and burnouts) and empathy
 - EQ as a tool to be proactive in the prevention future problems by better reading the environment
 - EQ as a hiring tool and assess the impact that new employees might have in existing teams
 - Better communication and general efficiency
 - As a tool to keep employees happy and emotions in check
- Benefits for managers
 - EQ as a managerial enhancement tool by allowing managers to better synchronize the group, provide more cohesion and efficacy
 - As a significant tool for motivation, morale, employee performance
 - Better emotional awareness (both for staff and managers) by being more aware of emotions, better regulation and impact assessment.

- High EQ managers have a clear advantage over those who do not, since they can relay the goals, vision and objectives better to their employees

One interesting factor was that some interviewees expressed a clear divide regarding the learning process of EQ. Two managers expressed directly that EQ can be taught and coached in the individual and two other interviewees explained that it has to be present in the individual since training and improvement in this area is definitely very difficult.

When prompted about the impact of EQ in the staff and employees, CC's manager explained that this has a huge effect and expressed that EQ is the foundation of most of the work he does as a HR consultant. Bearing this in mind, the manager was asked how eager would firms in the country be to implement such policies, remarking that given the adequate explanation and proper planning, they would be very open to it. As a final remark, the manager also detailed that both EQ and IQ have to go together, but it is much more relevant to be good at EQ than IQ stating that "EQ can make more things happen than IQ".

5. Discussion

In this chapter, the findings obtained in the interviewing process will be compared to what the literature exposes aiming not only to identify if there is a use of EQ in Iceland but also its implications.

As described in the findings chapter, a manager in a consulting firm was targeted specifically to take part in the data collection process. The rationale behind this decision lies in the manager's extensive expertise in the area (years in business and firms consulted in HR) and more specially since said manager is recognized as one of the early adopters and first adopter of EQ in Iceland. The responses of CC's manager were used to confirm the validity of the results and the research so far with what practitioners are currently doing. The findings are most relevant since this manager agrees with the importance of feelings, emotions and overall EQ in the company, also perceives that EQ is a popular concept and is likely that firms use it, even if they are not aware of it being a concept in itself and that there are no current specific programs devoted to EQ in any particular firm in Iceland. The ultimate results are that said manager agrees with the exposed hypothesis, the academics (especially Goleman) and with the current findings of this research, adding to the external validity of the study.

One of the primary conclusions that can be theorized upon is that EQ in Iceland is on its initial stages, due to the high level of awareness to the idea, but the limited application of it.

Goleman (1995, 1998) explains that emotions and feelings are crucial since they act as precursors to actions, which correlates exactly with the answer obtained from the CC's manager. Nearly all interviewees agree that emotions and feelings have a noticeable impact at the workplace, however; the literature and the practitioners tend to focus on different methods. When studying the works of Goleman, it can be seen that there is more interest in the origin and the psychological specificities of emotions whereas practitioners tend to concentrate on the practical application of these terms.

Most managers describe emotions and feelings from a hazy perspective, being something that is difficult to understand, grasp and control; but more importantly, that has an impact on a multitude of aspects, going from stress management to communication or trust building. Even though there is a fundamental separation between academics and practitioners in this case, it can be argued that both visions are providing an answer from both ends of the concept. Another remarkable conclusion is the emphasis that the industry where firms operate has on the importance given to emotions and feelings. Those firms that had a more technical background had a more profound interest on skills related to engineering and science, and those who required more social interaction like the hospitality sector, tended to lean more on social skills as key abilities. It can be argued that the rationale behind such difference relies on the dissimilar skills needed to operate in different sectors is key for the selection of skills. These conclusions are only preliminary since they are based on a limited number of responses.

As exposed in the literature, EQ is vastly recognized by academics to be a popular and emerging topic in the HR world (Goleman & Cherniss, 2001; Bar-On, 2010; Dulewicz, Higgs, & Slaski, 2003; Chopra & Kanji, 2010; Mayer, Roberts, & Barsade, 2008). Following this trend, the respondents accept that the concept was also widely accepted (only one did not recognize it), confirming the first research question. It should be noted that managers were introduced to the fundamentals of EQ in a short presentation given to them prior to the interview to create a baseline. Even after such presentation, more than two thirds of said managers had read Goleman's work which ties directly to what the literature suggests, making Goleman the most recognized and cited by the general population.

One further issue was the apparent lack of homogeneity in the conceptualization. Most interviewees appeared to have a vague idea behind the actual definition and the implication of EQ. This suggests that either the knowledge of EQ was not extensive or as some expressed during the interviewing process, they had not applied the concept in a considerable time creating a sense of uncertainty.

Regarding research question two, which aimed to identify how EQ was being used in Iceland, the interview results confirm that it is actually being put into practice, but mostly by managers and not as a corporate strategy in firms. When asked, all the managers except one detailed that they personally use EQ on a regular basis at work, yet when prompted about specific examples or policies that are currently in place in their companies (only two companies agreed on its use), nearly all of them says that EQ is not part of their training or management programs. This is a very significant contrast, since all declare to use it but fall short to implement it as a formal strategy. According to the results, the use of EQ is done by those who are familiar with it, but mostly in a very limited way. Some of the respondents did mention that it could be applied as a notion to support other management strategies or as part of other programs. This relates to the adherence of the broad and general principles behind EQ.

The rationale behind the non-application mentality seems to be rooted in a lack of clarity for managers in order to apply EQ adequately. This suggests that with an effective and adapted plan, firms would probably be willing to implement EQ (one of the respondents expressly mentioned this) if an action is provided to them, thus creating a very interesting inkling for consulting companies and for further research options which is very close to the reflection of CC's manager. Some of the respondents made reference to the "inability" to be able to turn off EQ or to not be able to use it, by comparing it to a sixth sense or a "street smart". This suggests that some of the managers have actually interiorized the concept and fully use it yet it is used in an anecdotal way.

Some managers express further concerns stating that EQ cannot be taught to the individual and needs to be present in the staff, since training and coaching provide little yield. The literature suggests that EQ can actually be taught (Salovey, Mayer, & Caruso, 2002; Goleman et al., 1998) but if there are misconceptions, these are due to antiquated methods of teaching or inefficient execution. This particular case is of great relevance for the case of further research.

When managers do not acknowledge that EQ can be taught, this might create a drive to only look for high levels of EQ during hiring and overlooking training. If managers can be convinced that the opposite is possible, it can be greatly beneficial for the active implementation and expansion of EQ in Icelandic firms.

However unlikely, one must also consider the effect of the social desirability bias, which is defined by Polit & Beck (2004) as a bias that appears “when participants have a tendency to misrepresent their opinions in the direction of answers consistent with prevailing social norms” (p. 732). What this suggests is that some respondents might have agreed to have prior knowledge of EQ without fully understanding it, in order to conform to what is implicitly expected of managers. This could provide an alternative possibility to the low volume of companies that actually apply EQ as a policy. As exposed in the results for question 9, those companies that did not have plans to implement EQ policies in their companies were mostly due to a lack of knowledge or because it is already present in some indirect way in other currently available training programs.

In order to dig deeper into the rationale behind the results, managers were encouraged to state what aspects of EQ are more relevant for their firms and select them from the 5 domains of EQ for managers of Goleman’s work (See Table 2), being Social Skills and Motivation the preferred aspects of EQ. These responses align with the benefits that firms report or expect when implementing EQ in their firms. Following this, the responses indicated that there is an influence depending on the industry and operations of the organizations (mentioned by the engineering, infrastructure and manufacturing managers).

According to the participants, motivation plays a very relevant role within training programs in companies and also as one of the most significant domains of EQ selected by the interviewees. In the literature, Mersino (2007) relays that being able to better relate to others is a great catalyst for being able to motivate others and as a central part of EQ. The implication here is that EQ can be effectively be used in the workplace to stimulate the workforce. This can be exploited by HR consultants in the country as a strategy.

The literature points out that there is a considerable variety of ways to measure EQ (McEnrue, Groves, & Shen, 2007) yet most of the interviewees lacked the most basic idea on how to measure or even if it is possible to be measured. This can easily be endorsed to a deeper lack of knowledge about specific measuring systems which is also stated by some respondents. Most of the methods portrayed in the literature (McEnrue, Groves, & Shen, 2007) are very specific and very detailed. Following to what the interviewees mentioned, some of them are on the right track by suggesting self-reports and 360 degree interviews, which correlate directly to what the academics mention. It can be argued that even if managers lack the actual tools to measure EQ, their professional experience is a good compass to achieve accurate measurements.

In the third and final research question, academics detail that a substantial and varying amount of benefits are available for companies who have employees trained in the area of EQ and have high levels of it (Cherniss, 1999; Herkenhoff, 2004; Mersino, 2007; Crowne, 2013; Wong & Law, 2002). These benefits are relevant for firms of different industries and sizes, suggesting that all can benefit from their implementation Cherniss (1999). Bearing this in mind, the findings relate to such advantages, declaring for example that one of the managers in the hospitality industry relates that being able to connect with employees and treating them fairly, which are traits of EQ savvy managers, helps reduce employee turnover which links directly with the claims made in the literature (Crowne, 2013; Wong & Law, 2002; Herkenhoff (2004). Another respondent from the retail industry relayed that EQ is essential in order to be able to read the environment and foresee hidden problems before they appear which correlates directly to what Herkenhoff (2004) states.

One of the most popular responses for the use of EQ by managers is to assist them during the hiring process, in order to better select personnel to fit the company culture (retail & hospitality managers) or to avoid clashing with groups (utilities manager) and enhance performance which once again relates to what is stated by the academics (Cherniss 1999; Silong, Shahhossein, Ismaill, & Uli, 2012; Salovey, Lopes, Kadis, & Gall, 2006; Goleman & Cherniss, 2001).

It can be seen that both literature and specialists agree that EQ is beneficial, yet there is once again a division between the perceived benefits of using it and the lack of usage in the real world. One would think that when there are so many advantages to having employees with high EQ, firms would try to implement such policies (Only two companies declared actively using EQ and mostly directed to training and hiring). When managers were asked if they would consider introducing such ideas, responses varied from a lack of understanding in the implementation of EQ, an existence of varied training programs already in place, making managers wary of introducing even more or even stating directly that there is lack of interest in new ideas. This suggests that even though EQ is popular and seen as positive, there are several barriers that EQ must first overcome in order to go from theory to practice.

As a supplementary note, there is a protracted issue that must be discussed. The aim of the paper is to assess if Icelandic managers are using EQ, how and what the consequences are according to the opinions of practitioners. Considering that 15 companies have been selected for this purpose, a concern for the external validity of the document needs to be addressed. The researcher has taken this into account and it should be detailed that the intent of the document is to be an initial exploratory study in the area of EQ in Iceland and the goal of drawing conclusions and establishing the causality or deeper meaning on why do firms do what they do was not part of the research process. This will be detailed in the limitations section of the document.

As a conclusion, it can be stated that EQ is a popular concept in the most relevant economic sectors of Iceland. EQ is currently being used by managers yet there is little implementation of it as a policy across companies. Most of the interviewees state that the concept is relevant and has an impact on the success of the firm and link EQ to several positive benefits both for management and staff which correlates to what the literature states. Most of these benefits can be linked to motivation, conflict prevention, better performance, lower employee turnover and more efficient hiring.

The variation of the different responses tends to change depending on the industry (i.e. engineering, infrastructure and manufacturing managers) where firms operate, yet direct correlation in this particular area cannot be drawn due to the preliminary nature of the study. Out of the different aspects of EQ, most managers select motivation and social skills as most useful or relevant and even though there is little practical implementation or measurement, firms indicate that they would be open to add EQ to their HR practices if proper training and a deeper knowledge of the concept were to be given to them.

5.1 Implications of the Research

In this paper, it has been established that EQ is currently well known to varying degrees amongst managers in firms representing the largest economic sectors of Iceland yet, there is minimal penetration of EQ as a policy in the HR environment. This creates an ideal situation for consulting companies, since firms have expressed that they would be interested in implementing training for staff and management in this particular area. Not only this but, there is also a great opportunity to explore new research, due to the lack thereof. This research paper was envisioned to act as a preliminary inquiry and open the door to new investigation in the area.

High levels of awareness and a general positive reception to EQ can act as a catalyst to a rapid expansion of it in the near future. When prompted regarding the lack EQ implementation, respondents have mentioned a lack of deeper knowledge in the subject, the unfamiliarity of measurement of EQ and a variety of already operating training programs that might prevent new ideas from coming into play, suggesting that fostering divulgation seminars to firms and managers might be beneficial for its expansion.

One of the largest and most rapidly growing sectors in Iceland is the hospitality industry. Coincidentally, it is also one the corporate segments that is most aware, has additional active policies and more open to EQ. Studying a potential link between the benefits of high EQ and successful management might be an interesting area to explore. This is not limited to one specific sector, since the literature relays that all firms can benefit

from having individuals with high EQ, which is something that corporations can train their staff to be better at.

The research results are narrow but deep, and a common remark from interviewees was that EQ as a concept is very broad. Considering that this is a preliminary study, further research should also be targeted at more specific and defined areas of EQ. This will be explained in more detail in the following sections of the document.

6. Conclusions

In this section, the final thoughts and conclusions will be detailed alongside with the limitations and the recommendations for further research.

6.1 Limitations of the Research Study

Apart from the usual limitations that occur on all research such as a limited budget and time constraints, there are other issues that occurred in this research that should be noted. Due to the qualitative and exploratory nature of the study, direct conclusions on why firms decide to pursue or not, the use EQ in the workplace cannot be drawn upon at this stage. The real purpose of the research was to act as an initial investigation with the possibility of opening up new lines of investigation in the near future.

As described in the discussion section, there are some concerns regarding the external validity of the project, since the sample size is small. This issue can easily be solved in the future by allocating more time to contact more firms, by having a native speaker to perform the data collection and bringing more companies into the research pool. As suggested during the elaboration process of this document, an interesting way of adding further reliability to the data is to have a second researcher assess the recordings of the interviews and then comparing the transcripts of both researchers, looking for commonalities or discrepancies. It is also worth mentioning that internal validity is high since the collected data comes directly from practitioners from the most representative firms in the Icelandic industry.

It was also mentioned in the discussion the case for the potential problem of social desirability bias, yet it should be noted that academics (Fisher 1993; Nederhof 1985; Paulhus 2002; Polit & Beck 2004) suggest to use full and comprehensive anonymity measures to ensure that participants cannot be identified, allowing them to answer freely and without bias and also the effectiveness of using of indirect questions for this particular matter (Fisher 1993). These measures are suggested as the most effective to fight such

issues and therefore they have been applied in this paper to the best ability of the researcher (no way of identifying the different companies or managers, blurred industry definitions, participants were instructed in detail of the research process and a copy of the interview transcript was given to them before the findings section was elaborated to confirm that they were satisfied with the secrecy of the results), knowing beforehand that if such bias were to appear, it would be difficult to control.

When conducting the interviews, language appeared to have some initial issues, since some participants needed further clarification of some concepts and statements. The idea of providing a short presentation prior to the interview was partially motivated by this issue and after the first real interview, it was decided to reword some of the questions and include the definition of EQ in Icelandic both in the presentation and in the interview questions. The rationale of conducting a qualitative research over quantitative was also motivated by the language barrier, since it is easier to control for such issues when face-to-face interviews take place.

Other issues encountered in the research process were low response rate for participants (150 companies were contacted and there were 15 participants – 10% response rate), possibly due to language and because EQ and management are very sensitive topics. Anonymity also played a key role while contacting companies. Due to the limited size of the Icelandic market, several potential participants and actual employees voiced their concerns with being identified, even by naming the industry these firms operate in.

One final issue that would act as a limitation factor is the actual knowledge of EQ. So far, it can be said that managers from the main industries in Iceland know about EQ or are aware of it, but it cannot be assessed how much. This would be an interesting area of exploration for further research.

6.2 Recommendations for Further Research

This paper has only barely opened the door for research in EQ in Iceland for managers and firms alike. In the findings and discussion sections of this document, it has been exposed that this document is only a preliminary research on the topic.

There is little to no previous studies in this area, and this document has only scratched the surface. Considering that some initial milestones have been described, it would be interesting to explore further in quantitative research in order to provide more external validity to the findings. The initial plan of this research envisioned doing surveys with companies once the data from the interviews was collected and analyzed, in order to assess the validity of the information, tackle the external validity concerns and provide a more holistic picture and evaluate how much of EQ is known to them yet due to time, budget and resource constraints, it could not be achieved. This line of research would be a great starting point for future research.

There are some interesting topics that were brought up by interviewees that could be exploited in further research such as the implications of EQ and communication in the company, since it was a prevailing topic that most managers had a great interest in.

One of the concerns detected in the results and also in academic articles makes reference to culture. Since firms are employing more varied and diverse workforces, managers in Iceland and academics have both expressed interest in the matter. It would be most interesting to expand in this area and assess if the relevance of cross cultural workforces (or even cross cultural comparisons – Icelandic vs. other cultures) and EQ from the in organizational performance. This is also largely unexplored territory that has the possibility of opening new areas of research.

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Appendix

I. Sample Questions Provided to Interviewees

About your company:

- **Area of business – What Industry do you operate in?**
- **How many years have you been in business?**
- **How many employees does your firm have?**
- **What is your average yearly turnover?**
- **Does your firm operate on a national or international level?**

Interview Questions

- 11. Please state what aspects and skills do you find crucial in your staff and why.**
- 12. In your opinion, what role do emotions and feelings have regarding the performance of you and your staff?**
- 13. Are you aware of the concept of Emotional Intelligence (Tilfinningagreind)?**
- 14. What motivation techniques are being used in the company? – How do you motivate your staff?**
- 15. As a manager, do you use Emotional Intelligence? If so, please state how.**
- 16. Is Emotional Intelligence (techniques) an active part of the human resource policies in your company? Please explain.**
- 17. What aspects of Emotional Intelligence do you find more relevant for your company and why?**
- 18. How would you measure Emotional Intelligence? Please explain.**
- 19. Are there any Emotional Intelligence training programs available in your company? If not, is there a plan to implement them?**
- 20. How would you describe the impact that Emotional Intelligence has on you and your employees? If you do not use Emotional Intelligence – What impact do you think it would have? Please explain.**

II. Confidentiality Agreement - Consent Form

I....., from company, and acting as (Position held in the company) agree to participate in Mr. Francisco Rojas' research study for Reykjavik University as part of the interviewers' Master's Program.

- The purpose and nature of the study has been explained to me in detail.
- I am participating voluntarily.
- I give permission for my interview with Francisco Rojas to be tape-recorded and where transcripts will be available on demand within four weeks after the interview.
- I understand that I can withdraw from the study, without repercussions, at any time, whether before it starts or while I am participating.
- I understand that I can withdraw permission to use the data within two weeks of the interview, in which case the material will be deleted.
- I understand that anonymity will be ensured in the write-up by disguising my identity.
- I understand that disguised extracts from my interview may be quoted in the thesis and any subsequent publications if I give permission below:

(Please tick one box :)

I agree to quotation/publication of extracts from my interview ☐

I do not agree to quotation/publication of extracts from my interview ☐

(Interviewee)

Signed..... Place and Date.....

(Interviewer)

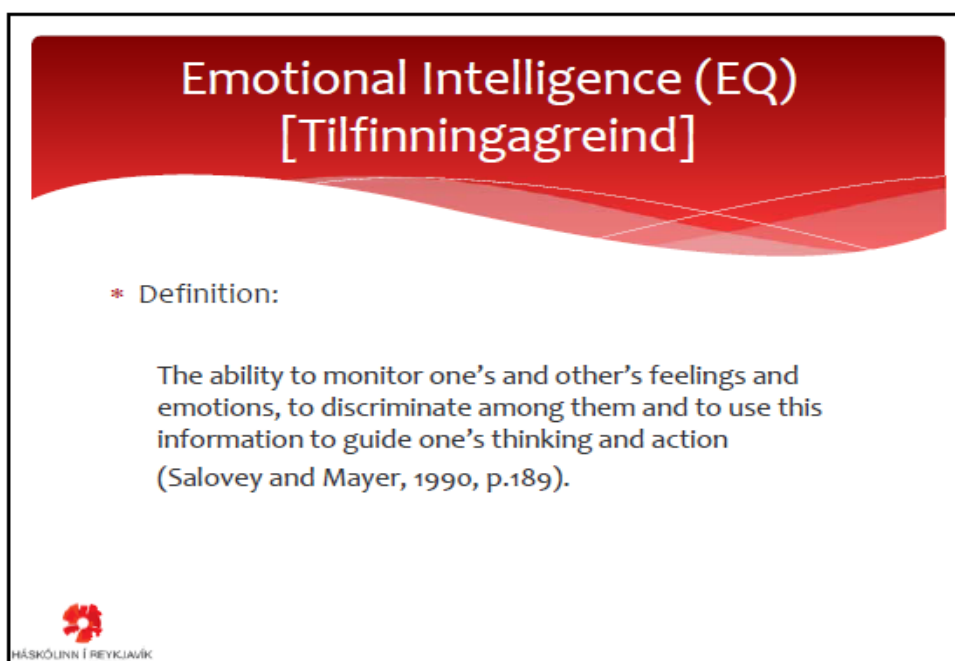
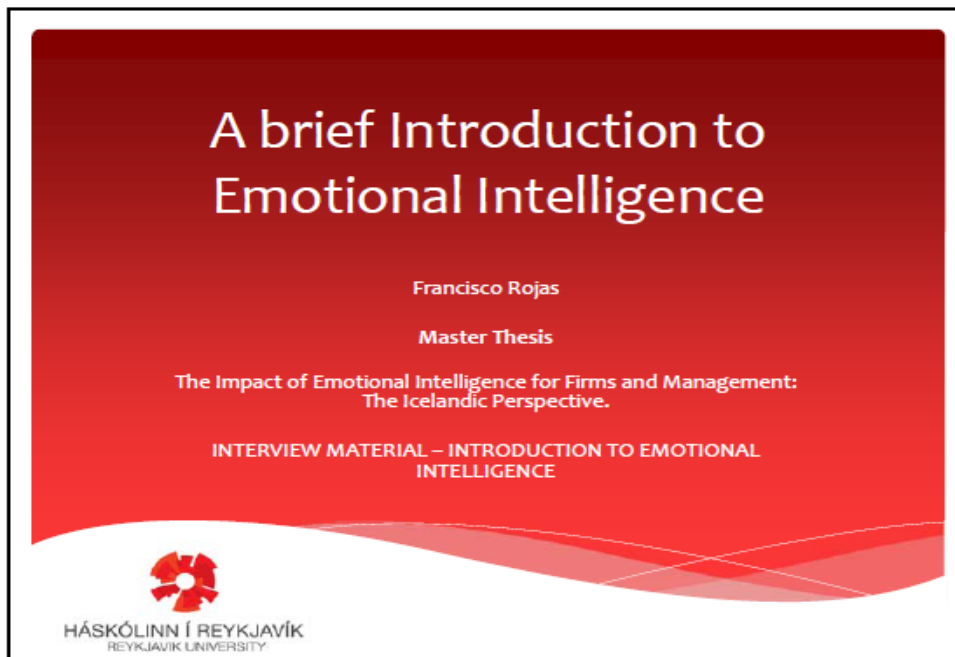
Francisco Rojas

Signed..... Place and Date.....

(Abridged from University College Cork Website (2014):

<http://www.ucc.ie/research/rio/documents/InformedConsentFormTemplate.doc>)

III. EQ PowerPoint Presentation for Interview



Misconceptions about EQ

- * According to Goleman:
 - * Emotional Intelligence is not about being nice all the time.
 - * It is about being honest.
 - * Emotional intelligence is not about being “touchy-feely.”
 - * It is about being aware of your feelings, and those of others.
 - * Emotional intelligence is not about being emotional.
 - * It is about being smart with your emotions.

Source: Communicating with Emotional Intelligence for The Interagency ADR Working Group, Workplace Conflict Management Section (2012) [p.6]



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The Domains of EQ



Source: Goleman (1998): What Makes A Leader? – Harvard Business Review 2004
Graph: Own creation



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The Domains of EQ Explained

| | Definition | Hallmarks |
|-----------------|---|--|
| Self-Awareness | the ability to recognize and understand your moods, emotions, and drives, as well as their effect on others | self-confidence realistic self-assessment self-deprecating sense of humor |
| Self-Regulation | the ability to control or redirect disruptive impulses and moods the propensity to suspend judgment - to think before acting | trustworthiness and integrity comfort with ambiguity openness to change |
| Motivation | a passion to work for reasons that go beyond money or status a propensity to pursue goals with energy and persistence | strong drive to achieve optimism, even in the face of failure organizational commitment |
| Empathy | the ability to understand the emotional makeup of other people skill in treating people according to their emotional reactions | expertise in building and retaining talent cross-cultural sensitivity service to clients and customers |
| Social Skill | proficiency in managing relationships and building networks an ability to find common ground and build rapport | effectiveness in leading change persuasiveness expertise in building and leading teams |



Source: Goleman (1998): What Makes A Leader? – Harvard Business Review 2004 (p.88)

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Any Questions?



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IV. Sample Transcript

Interview Questions

1. Please state what aspects and skills do you find crucial in your staff and why.

- “It’s all about the social skills” – because people work together - It is interesting to go deeper – why do people do the things they do – feelings guide actions and motivations
- When training managers – Realistic self-assessment is key – 360 ° reviews to identify strengths and weaknesses and know yourself

2. In your opinion, what role do emotions and feelings have regarding the performance of you and your staff?

- The biggest part of why we do things – core of the management courses that XXXX provides to its customers
- Emotions and feelings – Managers need to understand their importance “they have a system in themselves, like a computer and the system has a certain way of doing things; this system is called emotions” – explains the physiological effects (physical) of emotions (i.e. fear – fight or flight – blood pressure)
- It is all about the “system” as a computer operating system– “We are hard-wired” - emotions and feelings are the precursor of actions that motivate the individual to do things
- Utilizing your own the emotions to your own advantage
- Managers sometimes do not succeed – “they are too impulsive”
- Self-esteem, self-efficacy and self-awareness are the most usual concepts used by the professional when consulting firms

3. Are you aware of the concept of Emotional Intelligence (Tilfinningagreind)?

- Yes – As a Manager, uses it a lot – A good way to explain people how do their brain works and the reason behind the decisions we made
- Manager was first exposed to the concept in the late 1990's
- Goleman's work – created a revolution - "it was a major hit" – it created a before and after – before the publication, emotions and feelings had little consideration in the HR world – after – "the system was discovered"
- Regarding the criticism around Goleman's work being sham, the manager believes that Goleman's work is truly genuine – i.e. Goleman's work on instant vs. delayed gratification
- Best companies are value driven – There is a common type of manager – An individual who is good, that is moderate and has strong values.

4. What motivation techniques are being used in the company? – How do you motivate your staff?

- In the manager's company – there are certain strict standards that work as motivators – "We have to do it the way we believe in it, that's how we motivate ourselves" – Good reputation and honest business
- Regarding motivation techniques used by the firm in the consulting process – Different projects for different firms, since they have different needs
- The biggest part in motivation is firstly to have trust (which based on feelings) – base for honesty and different opinions, deal with conflicts – employees can open up and then focus on those things that want to do and perform at their best
- The model n – People don't motivate other people, individuals motivate themselves – Find what makes people tick

5. As a manager, do you use Emotional Intelligence? If so, please state how.

- Yes
- Stress – The “system” has to be managed if not, stress can appear
- The manager uses EQ on himself – to identify why does he carry out specific things – introspect – Realistic Self-assessment (Goleman’s theory)

6. Is Emotional Intelligence (techniques) an active part of the human resource policies in your company? Please explain.

- Yes, it is “common” for HR departments to use EQ – Because the principles of the theory are “there” – even if they are not aware of it or they do not that it has a name
- Companies use it in an indirect way or not consciously
- “If you don’t use EQ as a manager, they are usually bad managers”
- EQ is getting more and more important – Managers are realizing the importance of it
- On yearly performance reviews- when employees are asked if they are happy in the company, or about the morale – This is ultimately asking about EQ
- Where is EQ more necessary? Always important, but more relevant when you are dealing with highly skilled professionals – Also in creative work and knowledge based

7. What aspects of Emotional Intelligence do you find more relevant for your company and why?

- The biggest strength of the EQ theory – When people understand the theory, they are more likely to use it and eventually make the right management decisions
- EQ is also linked to good decision making – Following Goleman’s works
- The manager also agrees that those jobs that require a deeper human interaction rely more on Social Skills and Empathy, whereas those jobs that have low

skilled employees Self-Awareness and Self-Regulation have a bigger impact – EQ is relevant for all careers regardless, but more important for some specific jobs

8. How would you measure Emotional Intelligence? Please explain.

- It can be measured in many ways – but he could not provide a specific answer on the best option
- It is not relevant if it is an intelligence factor or not (from the EQ vs. IQ history of the concept) it is the “system”; and it is a behavior and behaviors can be studied and measured
- The manager says that he never uses the IQ tests – too specific; it is better to ask people and managers directly
- The manager, if he had to, he would use the Hay Group Goleman’s test – it is centered for managers of all types. Bar-On’s tests have been used by the manager but he also says that these tests provide too much information that might not be ultimately relevant
- Regarding 360° reviews – he is a bit skeptic – Measuring Self-Awareness, or Self-regulation by other individuals is very complicated and can be misleading. He also mentions that sometimes some of the questions in the 360° there is also positive response bias because you can see through the questions

9. Are there any Emotional Intelligence training programs available in your company? If not, is there a plan to implement them?

- According to the manager, there are no current specific EQ training programs operating in the country. At least not by the name of EQ but it would be included in training programs or as part of them (i.e. stress management or presentation skills)

10. How would you describe the impact that Emotional Intelligence has on you and your employees? If you do not use Emotional Intelligence – What impact do you think it would have? Please explain.

- Huge impact
- How people work together, how do they learn, how do they understand things
- “It is all about the system; you have to understand the system, you have to be able to motivate yourself, you have to be aware of how you are thinking, the way you are thinking” – “It is the foundation of everything I do (in his company – as a HR consultant)”
- The manager believes that companies are open to it
- He also details that both EQ and IQ have to go together – but it is much more relevant to be good at EQ than IQ – “EQ can make more things happen than IQ”