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Emotional Intelligence: Effects on Portfolio Management

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Major Thesis

The goal of this research is to develop an understanding of the affinity between emotional intelligence, leadership behavior, and workplace performance. It is the view of these authors' that portfolio managers are constantly interacting with people. How this interaction is conducted greatly determines the positive or negative outcome of this experience. Portfolio managers must understand that these exchanges will have a lasting effect on the organizations ability to sustain itself in a competitive and ever-changing market. Mastering the ability to manage one's own emotions, while understanding those of others in the execution of business, is the essence of Emotional Intelligence.

Current Study

In recent years, the concept of emotional intelligence has generated interest, with some authors suggesting that Emotional Intelligence (EI) may be more important than intellectual intelligence in determining success in jobs with a heavy interpersonal component (Sadri, 2013). This study analyzes Emotional Intelligence among a population sample of portfolio managers at a Prosperity Bank Branch. The data derives from responses to a questionnaire and has

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formulated the basis of our study of the influences of Emotional Intelligence and Portfolio Managers. The authors further identify the relationship existing between Portfolio Management and Emotional Intelligence past, present and future, as illustrated in Figure 1.

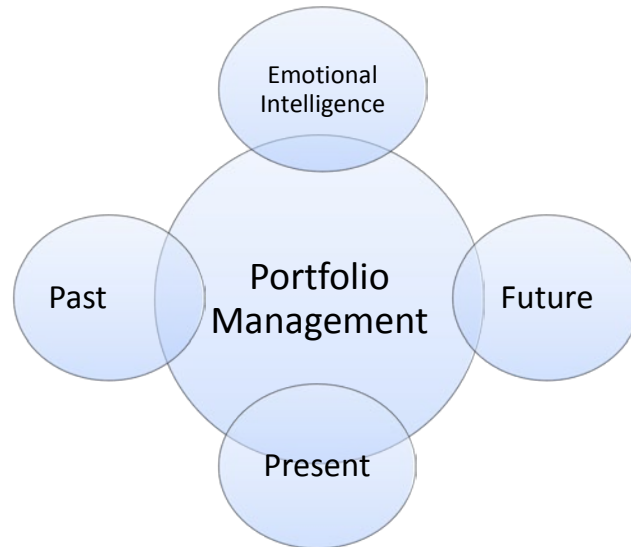


Figure 1. The relationship between Portfolio Management and Emotional Intelligence.

Research Questions

In order to understand Emotional Intelligence and how it associates with the past, present, and future role of Portfolio Management a fundamental examination into this behavior must first be performed. Throughout this paper, the author's have revealed direct influence of managers' possessing a positive relationship between emotional intelligence, leadership behavior, and workplace performance. Essential to this knowledge is the understanding of key behaviors that trigger these emotions and their impact to business sustainability.

In today's work environment, portfolio managers are challenged with acquiring the ability to manage their emotions as well as the people under their charge. Managers who understand this role and the influences of emotions, while employing them constructively shall have a positive impact on the organization. Finally, this article will review the awareness and significance of Emotional Intelligence in corporate work cultures by responding to the following research questions (RQ) and its application to this study:

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RQ1: How does Emotional Intelligence impact the future of Portfolio Management?

RQ2: How does organizational culture affect Emotional Intelligence?

RQ3: Does Portfolio Manager's Emotional Intelligence tend to increase with age?

Definition of Terms

Throughout this study, the authors define the core definition as follows:

Emotional Intelligence: A set of abilities that involve the way in which people perceive, express, understand, and manage their own emotions as well as the emotions of others.

Portfolio Management: The professional management of investment portfolios with the goal of minimizing risk and maximizing return.

The authors' of this paper have researched into various scholarly web-sites and professional journals for data on emotional intelligence and portfolio management. Additional methods of inquiry included a quantitative research approach utilizing a survey to gather emotional intelligence data from various populations of local businesses. The authors' research will show that emotional intelligence is equally as significant as intellectual ability.

Literature Review

Throughout this study, the author analyzes the relationship between emotional intelligence and Portfolio Management. Specifically, we investigate; (1) the impact of Emotional Intelligence on the future of Portfolio Management, (2) how organizational culture affects Emotional Intelligence and (3) whether or not senior leadership's Emotional Intelligence tends to increase with age. During the research process, a combination of author's literature reviews by Jorfi & Jorfi, (2012) and Shanker, (2012) reveal the importance that Emotional Intelligence has on performance, while Boyatis and Goleman, (2008) explores senior leadership's Emotional intelligence.

Portfolio and Program Management

Portfolio management, the finance industry as well as human resources are facing enormous challenges in today's demanding work environment. Organizations are downsizing; realigning themselves to compete in the global market, while facing an explosion of available information (Luthans, 1998). Max Messmer (1999), CEO of Robert Half, said in a recent survey of 150 executives from some of the nation's largest companies, that leadership skills were identified as the most important assets of managers. James E. Perrella (1999), Chairman, President and CEO, Ingersoll-Rand Company, stated:

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America is moving from a manufacturing economy to a value-added, service-oriented economy. And at the heart of service are relationships: interpersonal relationships; intergroup relationships; and interdepartmental relationships. The ascendance of work teams in large organizations puts a new premium on relationship team skills. Among others, this set of skills includes the following competencies: 1. communicating or listening openly and sending convincing messages, 2. managing conflict, which entails negotiating and resolving disagreements, 3. inspiring and guiding individuals and groups as a leader, 4. initiating and managing change, and 5. collaborating and cooperating with others toward shared goals. (p. 437).

These two examples indicate the growing importance of finding, hiring, training, and retaining leaders with high emotional intelligence. Emotional intelligence is defined as a person's self-awareness, self-confidence, self-control, commitment and integrity, and a person's ability to communicate, influence, initiate change and accept change (Goleman, 1998). Studies have shown that emotional intelligence impacts a leader's ability to be effective (Goleman, 1998). Three of the most important aspects of emotional intelligence for a leader's ability to make effective decisions are self-awareness, communication and influence, and commitment and integrity. Portfolio Managers who do not develop their emotional intelligence have difficulty in building good relationships with colleagues, executives and clients.

The financial sector of a country is of great importance due to its overall role in the prosperity and growth of other sectors of the economy and is particularly true in developing economies. From the viewpoint of complex systems, an economic system not only include factors such as technical expertise, markets, factories and financial companies, but also includes psychological factors that are not readily visible. This rationale is often time associated with psychological influences that often time affects the behavior of macroeconomic. Therefore, understanding the psychology of investors is essential in the stock market (Fan et al., 2009).

Portfolio theory describes how rational investors base their investment decisions in the financial market on optimizing portfolio return for a given risk level (Bodie et al., 2005; Markowitz, 1952). In finance, portfolio performance assessment is a significant area of research. In this study, efforts are made to answer the question whether or not emotional intelligence has an effect on shareholders, while managing their portfolio's performance.

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During the last decade many experts, managers and researchers have paid attention to the subject of emotional intelligence. Since the publication of Goleman's book on emotional intelligence (EI) in 1995, this construct has become quite popular in the general press. Media reports (e.g. Gibbs, 1995; Wigod, 1998) have heralded the potential value of emotional intelligence for improving one's professional and personal life. Emotional intelligence plays a very vital role in individual's success at different domains in various fields of life. Empirical evidence suggests that intelligence cannot explain our achievements at work or life; it is emotions, which stands out in organizational success (George, 2000; Goleman et al., 2002; Wong & Law, 2002; Law et al., 2004; Sy & Cote, 2004; Suliman & Al-shaikh, 2006).

On the bases of latest developments in cognitive and social psychology, IQ alone is no longer considered as the only measure for success. Individuals having similar IQ levels may not necessarily share the same academic success due to varying levels of EI (Brown and Brooks, 2002; Bracket and Katulak, 2004; Suliman & Al-shaikh, 2006). Emotional intelligence (EI) was proposed as a new type of ability two decades ago, and has attracted intense research interest and controversy ever since (Mayer, Roberts, & Barsade, 2008).

Emotional Intelligence

Emotional Intelligence (EI) is considered to be one of the most significant and dynamic qualities in employees who produce results, bring about transformational change and lead the organization as inspiring force. The earliest roots of emotional intelligence can be traced to Charles Darwin's work on the importance of emotional expression for survival and adaptation. In the 1900s, even though traditional definitions of intelligence emphasized cognitive aspects such as memory and problem-solving, several influential researchers in the intelligence field of study had begun to recognize the importance of the no cognitive aspects.

For instance, as early as 1920, E.L. Thorndike used the term social intelligence to describe the skill of understanding and managing other people (Sanoubar, Fazlzadeh, Beshak & Rezaei, 2012). From its inception, the topic of emotional intelligence (EI) has been elusive, growing exponentially, when it emerged as one of the most visible and high-profile constructs in individual research. Its popularity among researchers has made it one of the most discussed topics in both scientific and popular literature (Yunus & Anuar, 2012).

There are four components of emotional intelligence including:

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1. Self-awareness – The Candidate understands the needs and wishes that drive him and how they affect his behavior (Bielaszka-DuVernay, 2008).
2. Self-regulation – The Candidate regulates his emotions so that any fear, anger or anxiety he experiences doesn't spread to his colleagues or make him lose control (Bielaszka-DuVernay, 2008).
3. Motivation – Emotional tendencies that guide or facilitate reaching goals (Sadri, 2012).
4. Empathy – The Candidate has well-developed emotional and social “radar” and can sense how his words and actions influence his colleagues (Bielaszka-DuVernay, 2008).
Furthermore, certain things leaders do – specifically, exhibit empathy and become attuned to others' moods – literally affect both their own brain chemistry and that of their followers (Goleman & Boyatzis, 2008).

Leaders are different from others within the organization due to the amalgamation of their head and heart; their ability and skill to understand and efficiently apply emotions as a means of connection and influence (Shanker, 2012). Engaging our consciousness gives rise for the ability to survey the range of possibilities and optimize decision making. The advantages of reasoning, deliberation, and planning are remarkable. We simply cannot run our lives, our portfolios, or our businesses without deliberate thinking (Sullivan, 2011).

The Role of Organizational Culture

Organizational culture plays a significant role in emotional intelligence. Your organization's environment and habitat – its rivals, its food sources, its economic and technological climates and such more – are to use an unavoidably appropriate verb, constantly evolving. Stand still, either as an organization or an individual, and you get left behind (Firoozmand, 2012). The process of developing emotional intelligence takes time; effort, motivation, and sustainment, each requiring consistent practice over a long period of time (Jorfi & Jorfi, 2012).

If an organization is to place an emphasis on emotional intelligence as part of its culture development process, it must provide a high level of emphasis that supports social and emotional learning (Jorfi & Jorfi, 2012). More companies are realizing that encouraging emotional intelligence skills is a vital component of their management philosophy. Organizations do not compete with products alone; how well it uses its people is essential for its survival (Jyothi &

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Jyothi, 2012). This relationship between Emotional Intelligence and organizational culture is illustrated in Figure 2 below.



Figure 2: Positive affect of Emotional Intelligence on organizational culture.

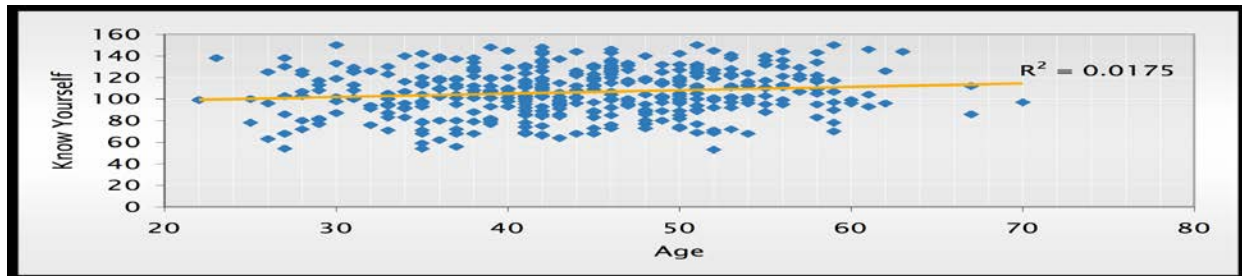
Increasing Emotional Intelligence in relations to age of Portfolio Managers

Research shows that older Portfolio Managers are slightly more likely to be higher in emotional intelligence. The findings suggest emotional intelligence is a developing ability; it is likely that accumulated life experiences contribute to EI. We can further hypothesize that as Portfolio Managers grow they have more opportunity to learn about emotions and the gradations of emotions, increase emotional vocabulary, and experience more and more varied life situations. Perhaps they accumulate more feedback and integrate this into greater self-awareness. Again, age is only mildly predictive of this dimension, so there are many younger people with highly developed self-awareness and many older people who have not developed these competencies.

There are theorists who postulate that some nonintellectual dimensions of human beings are independent domains of giftedness or intelligence. In particular, emotional giftedness or intelligence (Dabrowski & Piechowski, 1977; Goleman, 1995; Piechowski, 1979, 1991) sometimes including moral or ethical sensitivity; intrapersonal and interpersonal intelligence (Gardner, 1983, 1999); wisdom (Sternberg, 2000); and leadership (Marland, 1972) have been suggested as separate forms of giftedness or intelligence. Figure 3 below illustrates this point.

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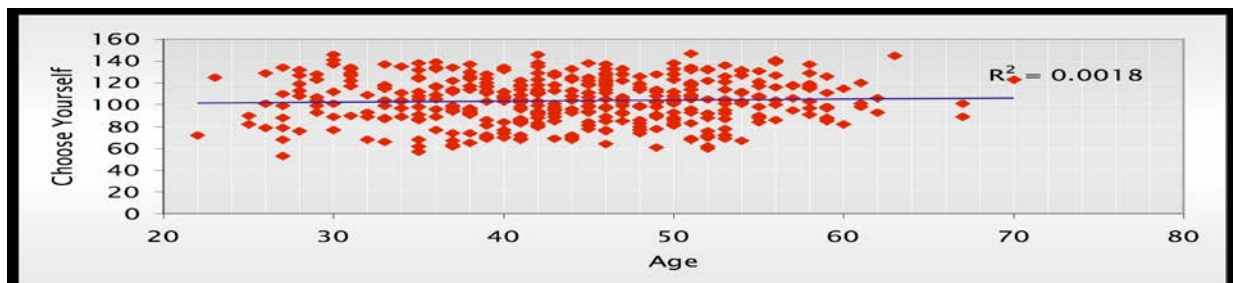
Figure 3: Know Yourself (self-awareness)



(Fariselli, Ghini, Freedman 2008)

The data below shows that experience isn't a predictive factor to explain this area. This suggests competencies such as navigating emotions, exercising optimism, engaging intrinsic motivation, and applying consequential thinking need specific training. In other words, it is less likely that these competencies will "automatically" develop through life experience.

Figure 4: Choose Yourself (self-management).

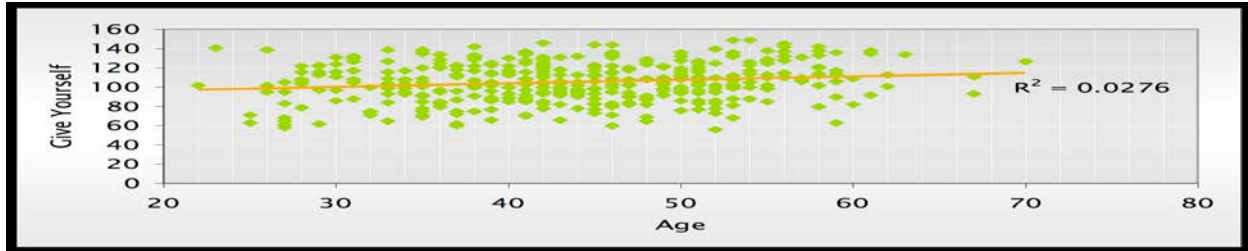


(Fariselli, Ghini, Freedman 2008)

For many Portfolio Managers, adulthood and aging introduce increased needs and opportunities to connect with others, for example in understanding colleagues and relating to other senior management. This might explain a link between age and empathy as similarly, colleagues and senior management have the responsibility and opportunity to understand and solve work problems and be a positive example for other colleagues as seen below in figure 5.

Figure 5: Give Yourself (self-direction)

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(Fariselli, Ghini, Freedman 2008)

The significance of these current findings are twofold. First, we can affirm that there is a developmental component of emotional intelligence; most Portfolio Managers will improve in these competencies simply through life experience. It reinforces the claim that EI is learnable. Second, we can see that many popular beliefs about "with age comes wisdom" are overstated. The relationship between EI and age is very slight, meaning that while a slight majority of older Portfolio Managers are higher in EI, there are many younger people with higher EI scores than their older counterparts. So many of our social, educational, and business systems discount the contributions of younger people; if emotional intelligence is a critical competence in the current world context, then leaders need to take note of their younger people as an important source of human capital.

According to Goleman (1995), emotional intelligence is not a concept opposite of IQ but rather a separate independent sphere of competency. Using Salovey and Mayer's (1990) initial definition of emotional intelligence, Goleman specifies five major elements of emotional intelligence including: (1) Self-awareness – knowing one's emotion, (2) Handling feelings – managing emotions, (3) Self-motivation, mastery, and control – motivating oneself, (4) Empathy – recognizing emotions in others, and (5) Social competence – handling relationships. Later, the definition was elaborated further as "the ability to perceive and express emotion accurately and adaptively, the ability to understand emotion and emotional knowledge, the ability to use feelings to facilitate thought, and the ability to regulate emotions in oneself and in others" (Salovey & Pizarro, 2003, p. 263).

Salovey and Pizarro assert that the concept of emotional intelligence is valuable in that it provides a theoretical framework to deal with individual differences in the emotional areas, as well as extend traditional views of intelligence by unifying both cognitive and emotional domains of human ability. Researchers and theorists in the field of gifted education have

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proposed concepts that are similar or related to emotional intelligence. For example, Dabrowski's over-excitabilities (Dabrowski & Piechowski, 1977; Piechowski, 1979) include the emotional area as one distinguishing feature of giftedness along with four other separate modes of mental functioning, namely, psychomotor, sensual, imaginational, and intellectual.

The five modalities of over-excitabilities (OEs) constitute varying developmental potentials of human beings that ultimately determine the level of development that individuals can fulfill and affect one's perceptions and responses to information and experience (Piechowski, 1979). Emotional OE is defined as "the emotional mode of attachments and affection bonds with others, empathy, the despair of loneliness, the joy of love, the enigma of existence and human responsibility" (Piechowski, 1979, pp. 28–29). Piechowski further described each type of OE as a mode of understanding and responding in the world.

Piechowski (1991) asserts that emotional giftedness grows out of emotional OE when individuals have a will to change themselves and help others. Mayer and associates (Mayer, Perkins, Caruso, & Salovey, 2001) articulated the connection between emotional giftedness (usually referred to as emotional OE) and emotional intelligence as the fact that both concepts deal with awareness of, attention to, understanding of, and controlling of feelings. They also suggest that emotional giftedness can be partly identified by measures of emotional intelligence.

Methodology

Throughout this study, the authors' have researched and written about the business effects associated with EI and the challenges imposed on portfolio management. A major component of this process is the constant alignment of selected projects with corporate strategy. It is critical to make the appropriate project selection when conducting feasibility studies in an effort to determine which of the projects provide the most potential for success and sustainability. Portfolio managers must make these selections with vision that meets business goals, while aligning with the organization's mission.

This article identifies that EI is an essential trait that contributes towards the difference between possessing the skills and charisma of an effective leader vs. that of an average leader. Studies show that those possessing a higher level of emotional intelligence are typically more confident; are focused, and refined, leading to higher success rates in their jobs. A higher level of EI also contributes towards a more efficient leadership style, while helping to develop a creative

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and competitive culture within the organization. In essence, managers with a high degree of EI actually help to shape the culture of the organization, while building motivation and trust.

A qualitative case study was utilized in the development of this study in the collection of vital data regarding EI and its affect on portfolio managers. The instrument selected for this study includes a survey taken from the Emotional Intelligence Consortium that has been redesigned to better reflect the intent of this study. The original author of the survey, Emily A. Sterrett, Ph.D., has indicated that utilization of the survey was authorized providing the Consortium for Emotional Intelligence in Organizations receives proper recognition for its use during this case study.

Data Collection, Coding, and Analysis

The data collected and utilized was possible under an agreement of confidentiality to protect both the identity of the employees responding to the questionnaire as well as to cloak the identity of the agency from which the questionnaire responses were obtained. There is to be no link, directly, or otherwise that can be established between the writing of this article and its participants. The management of such agency wish to be exempted from any reference throughout this study.

Listed in appendix A is the questionnaire used in the collection of emotional intelligence data from a randomly selected local business in the financial industry. The questionnaire contains 8 questions that address various categories including self-exploration, self-awareness, self-confidence; self-control, empathy, motivation and social competency. The intent of this effort is not to determine what people think, but rather to understand what they do. This questionnaire has been reengineered as a data-gathering tool to specifically elicit responses to eight pre-arranged questions from a sampling pool.

The questionnaire lists eight questions for the purpose of gathering essential data from 6 case studies. Intentional sampling was performed by means of a questionnaire for the purpose of data collection from a sample population of portfolio managers. The subjects were both male and female and ranged in age from 27 – 58. Qualitative research methods include the utilization of a case study design, which is traditional of inquiry and involves multiple sources of information, such as observations, interviews, audiovisual material and documents and reports (Yin, R., 2009. p.73).

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Prior to the data collection, the researcher established an understanding that the questionnaire would be administered to a population sample whereby each of the participants, or responders would not be identified. The questionnaire was distributed and completed by the population sample where the results were collected and the data used as the basis of this study. Table 1 illustrates the total amount of responders to the questionnaire along with an assigned coded name that has been utilized to identify this sampling group by subject number only. The table below illustrates these responders and their corresponding coded names used for this analysis.

Table 1

Responder Coding Assignment

<u>Responder order</u>	<u>Coding Assignment</u>
Responder I	Subject 1
Responder II	Subject 2
Responder III	Subject 3
Responder IV	Subject 4
Responder V	Subject 5
Responder IV	Subject 6

Results

The following results represent the responses to each of the questions listed in the questionnaire by each of the 6 respondents.

1. Do you believe that the way people feel is as important as getting the job done?

- Subject 1 responded yes. She also stated that one of the most important skills an employee can have is the ability to communicate. If you cannot communicate effectively you cannot be an effective leader.
- Subject 2 stated that feeling good internally will make a difference with how a person gets the job done. Subject 2 stated he had an experience where he felt ill while at work and priorities were no longer priorities; that work would be rescheduled for the next day or when feeling better.

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- Subject 3 stated yes. She describes the way people feel will determine the way the job is completed. That is to say it can be well or just meeting standard.
- Subject 4 stated absolutely. He believes that people's morale and motivation at work has a significant impact on the level of performance and overall productivity. He stated that clients have a keen ability to read one's emotions while discussing and managing finances. He states that their (clients) confidence level in our abilities is greatly influenced by our morale and enthusiasm.
- Subject 5 stated yes. He believes that getting the job done while people are miserable or upset is no way to conduct business.
- Subject 6 responded no. He believes that to be successful we have to remove our emotions in order to accomplish the mission. He further states that this effort often calls for difficult decisions.

2. Do you freely offer help and assistance to others when appropriate?

- Subject 1 responded absolutely. She is always willing to help and give guidance and advice.
- Subject 2 stated that he does this most of the time, but the decision is largely based on the amount of work he has to complete. He also stated that if he determines that this person is indolent by nature, then no attempt of offered to assist.
- Subject 3 stated yes because when she needs help herself that she expects the same from her colleagues.
- Subject 4 responded yes. He states that the "Golden Rule" always applies. The continued sustainability of the organization is directly impacted by productivity. He stated they all benefit when quotas are met and clients are happy. He stated that by making yourself available opens the door for others to reciprocate particularly during those times when you absolutely need the assistance.
- Subject 5 responded yes. He believes that everyone needs assistance from time to time. He also states that going out of your way to assist others also has meaningful implications.
- Subject 6 responded yes. He listed an anonymous quote stating 'you can tell the value of a man by the way he treats those who have no impact on his life'.

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3. How do you promote a friendly, open co-operative climate?

- Subject 1 reported that she is always receptive to bad news as well as good news. She stated that she takes most news with great disposition and that she attempts to influence others to open-up a little while at work.
- Subject 2 reported that this is achieved by attending meetings and exchanging ideas with improving processes.
- Subject 3 states that she contributes towards a friendly work atmosphere by speaking with her colleagues; showing compassion and helping when needed.
- Subject 4 stated that communication is absolutely essential for the long-term sustainability of the organization. He states that respect and dignified treatment of colleagues and clientele is the unspoken rule that all abide by.
- Subject 5 states this is accomplished by being interpersonal and approachable.
- Subject 6 reported that by being friendly, familiar, and finding the time to have a little 'water-cooler' conversation with your colleagues. He metaphorically states that this is accomplished by 'rolling up your sleeves' and getting involved.

4. Do you challenge unethical action in others?

- Subject 1 stated yes.
- Subject 2 responded yes. He states that he will be more inclined to do so if the issue may potentially impact the organization.
- Subject 3 stated that she will confront and if that effort fails that she would report the issue to management.
- Subject 4 stated yes. He reported that he would handle this directly and immediately. He goes on to say that he allows for the situation to dictate as each scenario is different. He makes an effort to address the issue behind closed doors and documents the event and action taken. He also states that it is prudent to have a non-bias party sit in as a witness. He stated that these meetings are confidential and usually transition from not so good to productive.
- Subject 5 responded yes. He believes that an unethical work environment can actually create a lot of hostility.

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- Subject 6 responded yes. His response was limited in terms of if it were his responsibility to do so or that of a family member or friend.

5. Do you think clearly and remain focused under pressure?

- Subject 1 stated yes. She reported that by ‘thinking’ on her feet means staying in control of a situation.
- Subject 2 reported that he maintains he thinks clearly and remains focus on most occasions. He also states that there are sometimes pressures from management that do not take personal issues into consideration. He goes on to say that management that seem to only care about numbers and production adversely influence his performance level while under this type of pressure.
- Subject 3 reported yes and that she sometimes feels that her manager needs to be informed or assist her when she is dealing with an angry client.
- Subject 4 stated always. He stated that he makes every effort to set the example for others to emulate. He believes that it makes no sense to react emotionally; stating that one must have all of the facts (or as much as possible) in order to make the best judgment. He states that the ability to meet short deadlines in a fast pace environment while under immense pressure is an expectation.
- Subject 5 responded yes and that he enjoys pressure and being in charge. He states that he actually performs better while under pressure or under a short deadline.
- Subject 6 stated yes. He further states that by the nature of ‘pressure’ alone it is incumbent to remain focused on the task at hand.

6. Will you take a tough, principled stand even if it is unpopular?

- Subject 1 has stated yes and would also value the opinions of others.
- Subject 2 stated yes. He states that sometimes doing the right thing requires making unpopular decisions.
- Subject 3 responded yes. She will take a stand particularly if she feels strongly about the issue.
- Subject 4 stated absolutely. He states that sometimes the unpopular decision is the right decision to make. To help ease the welcoming of this news focus is shifted from the

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negative news to the positive outcome; focusing on maintaining motivation throughout the change. He stated that the operational change would require a change in the organization's culture; that it would be necessary to support those that were aligned with the new changes, while assisting others to adapt. He states that the biggest challenge in this endeavor is the managing of emotional instability that often time accompanies operational changes.

- Subject 5 responded yes and that he would certainly speak up.
- Subject 6 states that this is a call for leadership; morale courage, and having a 'backbone'.

7. What methods do you use to foster open communication?

- Subject 1 reports that she has always had an open door policy. She listens and offers advice without crossing boundaries. She values the significance of body language and making eye contact and attributes these communication cues to awareness that the other person wishes to be acknowledged and not ignored.
- Subject 2 reported that he is a good listener. He also stated that this process also include speaking and writing well with an open door policy.
- Subject 3 reported that she is friendly, approachable and helpful to her colleagues and clients. She enjoys sharing ideas and information that improve processes.
- Subject 4 response was to lead by example. He states that the organization is only as good as the people that operate within. Efficiency and productivity are maximized when continuous efforts are made to foster effective communication. He states that regular meetings with meaningful agendas help in this endeavor.
- Subject 5 states that by being approachable treating people with respect and by engaging with the other person(s) he is communicating with.
- Subject 6 states that he accomplishes this by being genuine. He further states that what is espoused publicly is practiced privately and that by being a good listener and being open minded.

8. What steps do you take to demonstrate empathy with other's feelings?

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- Subject 1 describes the steps taken to demonstrate empathy with other's feelings by placing herself in the other person's situation. Efforts are made to try and understand how they are feeling and how she would want for others to react to her in a similar situation.
- Subject 2 stated that he accomplishes this by being genuine. He is successful at this type of communication by understanding and identifying with other people's feelings. He stated that it is also good to listen very well and to acknowledge the other person's feelings by being positive.
- Subject 3 states that she accomplishes this by listening and/or offering advice or help as appropriate.
- Subject 4 stated he believes the first step should be an awareness of the other person's feelings. Often time this will require an understanding of human nature. He states that one must 'read between the lines' and picking up on cues including the non-verbal communication and body language. He states that once he is aware of the person's feelings, acknowledgment is made. His example includes when bad news is received by another such as a death in the family that a higher degree of sensitivity is warranted. The same applies to good news, but in a different delivery, such as a high-five to a colleague on meeting a tough quota.
- Subject 5 states that he attempts to understand their perspective. He acknowledges that everyone is different and that it is essential to understand the situation and to use tact and diplomacy while communicating.
- Subject 6 listed four personality traits: availability, responsiveness, identifiable, and genuinely.

Discussion

The authors' have reviewed the data and have concluded that the subjects all demonstrate an above average level of self awareness; emotional management, empathy, adaptive coping, business and social judgment. Although there were some variations within each of the subject's responses to the questionnaire, in general, the consensus is that these managers possess the workplace ability to manage their feelings and emotions effectively. The subjects also exercise sound judgment in business applications, and adapt well by taking an active approach in dealing

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with workplace stressors. This EI quality possessed by the subjects sampled has a profound and direct influence to their overall work performance and success.

RQ1. How does Emotional Intelligence impact the future of Portfolio Management?

The vast majority of the subjects perceive emotional intelligence as having a significant impact “on the level of performance and overall productivity.” Many mentioned that the way people “feel” will have determine the way the job is completed. Others revealed that their clients have a “keen ability to read one’s emotions while discussing and manages finances.” One subject believes that to be successful, we have to remove our emotions in order to accomplish the mission; however, the majority of the subjects understand that their client’s confidence in their abilities is greatly influence by morale and enthusiasm.

For ages, people have debated if leaders are born or made. So too goes the debate about emotional intelligence. Are people born with certain levels of empathy, for example, or do they acquire empathy as a result of life's experiences? The answer seems to be both. Scientific inquiry strongly suggests that there is a genetic component to emotional intelligence. Psychological and developmental research indicates that nurture plays a role as well. How much of each perhaps will never be known, but research and practice clearly demonstrate that emotional intelligence can be learned.

To enhance emotional intelligence, organizations must refocus their training to include the limbic system. They must help people break old behavioral habits and establish new ones. That not only takes much more time that conventional training programs, it also requires an individualized approach. It is important to emphasize that building one's emotional intelligence cannot or will not happen without sincere desire and concerted effort. A brief seminar will not help; nor can one buy a how-to manual. It is much harder to learn to empathize; to internalize empathy as a natural response to people than it is to become adept at regression analysis.

RQ2. How does organizational culture affect Emotional Intelligence?

The subjects seem to have a firm understanding on the importance of emotional intelligence. Additionally, all expressed the ability to demonstrate empathy and take the proper steps to clearly understand the other’s needs. Their organizational culture embodies the traits of being available, responsive, identifiable and genuine. One subject stated that “he acknowledges that everyone is different and that it is essential to understand the situation and to use tact and diplomacy while communicating.”

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RQ3. Does Portfolio Manager's Emotional Intelligence tend to increase with age?

The subjects all reported a willingness to offer help and give guidance, regardless of age or experience. Emotional Intelligence seems to be embedded internally based on our individual values. This being stated, if a Portfolio Manager develops emotional intelligence at the start of his career, he will then have the ability to hone his skills and increase his emotional intelligence with age. One subject listed an anonymous quote stating “you can tell the value of a man by the way he treats those who have no impact on his life”. Another subject stated that the “Golden Rule” always applies when offering assistance to others.

Research Questions Synthesized

While our 6 subjects interviewed were not directly focused on emotional intelligence, they each have a firm understanding on its importance in relation to performance and overall productivity. All subjects were willing to help and give guidance when needed and each contribute to a friendly and co-operative climate. Furthermore, each subject understands that the future of Portfolio Management involves managing one's emotions while communicating effectively.

Limitations, Direction for Future Research, and Contribution

Throughout this study, the authors' have obtained data that focuses on the emotional intelligence of portfolio managers in a business setting. Although the data obtained has added significant value to this research, it is the recommendation of these authors to further research into similar case studies from a broader sampling pool and questionnaire to assess the research questions presented in this study. Future research on emotional intelligence and its affect on workplace managers can be applied through additional questionnaires and other measures in an effort to facilitate the various levels of EI and their impact on workplace decisions.

The limitations of this study were primarily focused with the narrow amount of data on emotional intelligence and its affect on business managers. Although there were countless articles in scholarly journals that spoke about EI, the limitations on its influence, specifically on portfolio managers required the presenting of a questionnaire to a sampling population of portfolio managers. The authors of this case study have presented both a behavioral and business perspective of the impact of varying levels of emotional intelligence in the business environment. The authors of this study have also presented responses to a questionnaire that has extracted real-

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world reactions to everyday workplace scenarios and this relationship and influence of emotional intelligence.

The main contribution of this case study is the self awareness and emotional management necessary for managers to conduct day-to-day business and for the growing success of their career. These authors believe that with an increased awareness of one's emotional intelligence are able to identify their emotions and are more likely to think, react, and perform in more realistic terms in a business setting. Additionally, those individuals that tend to view information objectively seem to respond with an ability to view scenarios from a factual perspective as opposed to subjectively.

Conclusion

Portfolio management is a dynamic decision process, whereby a business's list of active new product projects is constantly up-dated and revised. In this process, new projects are evaluated, selected and prioritized; existing projects may be accelerated, killed or prioritized, while resources are allocated and re-allocated to the active projects. The portfolio decision process is characterized by uncertain and changing information, dynamic opportunities, multiple goals and strategic considerations.

The self awareness of emotional intelligence and that of others exist throughout our lives and are prevalent in the work environment. Meeting the challenge of developing an effective portfolio approach for an organization requires a keen sense of EI of self and others. In today's business environment, there is no question that portfolio management is a vital issue. Our investigation points to the fundamental fact that successful management is the direct result of one's level of emotional intelligence and its influence on others.

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Appendixes

Appendix A

1. Do you believe that the way people feel is as important as getting the job done?
2. Do you freely offer help and assistance to others when appropriate?
3. How do you promote a friendly, open co-operative climate?
4. Do you challenge unethical action in others?
5. Do you think clearly and remain focused under pressure?
6. Will you take a tough, principled stand even if it is unpopular?
7. What methods do you use to foster open communication?
8. What steps do you take to demonstrate empathy with other's feelings?

(Sterrett, E. A., 2000).

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