

Creating the Emotionally Intelligent Workplace

GLOBAL WORKPLACE TRENDS 2018



sodexo
QUALITY OF LIFE SERVICES



A WORD FROM OUR CEO

Most companies recognize that their success depends not only on attracting the “best and the brightest” talent, but also on retaining, motivating and engaging employees through a workplace experience and culture that allows them to thrive. However, this does not always translate into the realities routinely experienced by millions of employees across the globe.

At Sodexo, we are passionate believers in the human-centered and experience-based workplace, where individual talents are released, where people can invent, inspire, lead, learn—and create a better tomorrow. This is why Sodexo’s business is focused on improving Quality of Life—a key factor in shaping the employee experience, increasing levels of engagement and realizing human potential.

Yet we live in a world in which organizations seem in perpetual motion, influenced by global shifts in technology, the rise of automation, changing expectations of the role and purpose of business, and evolving lifestyle aspirations. Every forward-looking organization will have to challenge its own received wisdoms and come to terms with the trends that are shaping both the nature of the enterprise and the future of work.

Since 2012, Sodexo has scanned the horizon in its annual Global Workplace Trends Report. By understanding key trends and their implications, we’ve been able to more effectively help our clients plan for the future that lies ahead. In the 2018 iteration of the Global Workplace Trends, our 7th edition, we look at seven trends driving organizational change:

- Getting Ready for Gen Z
- The Internet of Things: Shaping the Future Workplace
- Creating the Emotionally Intelligent Workplace
- Re-imagining Resources in the Sharing Economy
- Moving the Needle on Gender Balance
- Human Capital Management 3.0:
Transforming the Employee Experience
- Employees: New Change Agents for Corporate Responsibility

In examining these trends, we owe a wealth of insights to the 20 future thinkers and strategists we consulted. These experts hail from around the globe, and include young entrepreneurs, established business leaders, distinguished organizational psychologists, leading technologists and well-recognized social and generational researchers. We are grateful for their contributions.

While these trends cover a broad range of topics, they are deeply interconnected and possess a clear unifying theme: the need for collective intelligence across all workplace domains. And every organization, including Sodexo, has the responsibility and the privilege to nurture this intelligence to the fullest. Only by delivering our promise to the workforce and by investing in the boundless human capacity to learn and grow can organizations succeed in an ever-changing world.

SYLVIA METAYER
CEO, Sodexo Corporate Services Worldwide

ABOUT SODEXO

Sodexo is the only company in the world that offers integrated Quality of Life Services to its clients—through On-site Services, Benefits & Rewards Services and Personal & Home Services. For over 50 years, we have developed unique expertise, backed by nearly 450,000 employees serving 100 million customers each day in 80 countries across the globe.

THIS GLOBAL WORKPLACE TREND IS PART OF A SERIES OF SEVEN.

Please visit [sodexo.com/2018-workplace-trends](https://www.sodexo.com/2018-workplace-trends) for further information.

CREATING THE EMOTIONALLY INTELLIGENT WORKPLACE

GLOBAL WORKPLACE TRENDS 2018

Our lives are a kaleidoscope of up to 500 emotional experiences per day.¹ We may only be conscious of a fraction of them at any one time, but they color every interaction. With this understanding comes a recognition of the need to navigate these emotions in the workplace, meaning that emotional intelligence (EI) has become a core skill set for high-performing organizations and outstanding leaders today.

Decades of research support the importance of “soft skills,” but EI matters now more than ever. This article discusses the drivers that have pushed this measure of intelligence to the forefront, and describes how organizations are boosting their collective EI—from recruiting the right talent to better assessing and teaching EI.

But there’s another side to the emotional intelligence story. It’s increasingly understood that the workplace and its many touchpoints play a key role in allowing people to bring their full spectrum of emotions to work. For organizations looking for a place to start, practices such as experience design can help uncover workforce needs and motivations, as well as identify ways to enhance the employee journey.

With insights from psychologist Daniel Goleman and Professor Cary Cooper of Manchester Business School, this article takes a deep dive into emotional intelligence, which is fast becoming a highly sought-out employee skill set and an important facet of a well-designed, human-centric workplace.



WHAT IS EMOTIONAL INTELLIGENCE?

There are many definitions of emotional intelligence (EI), also referred to as one's emotional quotient (EQ). Internationally renowned psychologist Daniel Goleman defines emotional intelligence as the capacity to recognize our own feelings and those of others, and to manage emotions effectively in ourselves and our relationships. It is about much more than just having empathy or being "sensitive"—that's a common misconception about EI.

Emotional intelligence is a different way of being smart, and it's key to high performance at all levels in the workplace. Along with Richard Boyatzis, a business professor at Case Western Reserve University, Goleman developed an *Emotional and Social Intelligence Competency Model* made up of four domains.² Within each of these domains are learned competencies that contribute to effective performance at work—and often greater satisfaction in life. These are skills that can be improved upon, with practice and training.

“Decades of research show that the best leaders and team members are high in emotional and social intelligence skills, including self-mastery, resilience under stress, empathy, influence and effective teamwork. These are the competencies that distinguish outstanding performers in the twenty-first century.”

Daniel Goleman

THE FOUR DOMAINS OF EMOTIONAL INTELLIGENCE

SELF-AWARENESS

Knowing what we're feeling and why we're feeling it.

Key competency: *Emotional Self-Awareness*

SELF-MANAGEMENT

Handling distressing emotions and marshaling positive emotions.

Key competencies: *Emotional Self-Control, Achievement Orientation, Positive Outlook, Adaptability*

SOCIAL AWARENESS

Recognizing and empathizing with other people's emotions.

Key competencies: *Empathy, Organizational Awareness*

RELATIONSHIP MANAGEMENT

Effectively working with others, from resolving conflict to inspiring and motivating.

Key competencies: *Influence, Coach and Mentor, Conflict Management, Inspirational Leadership, Teamwork*



THE FOUR DOMAINS OF EMOTIONAL INTELLIGENCE

THE WORKPLACE PERSPECTIVE



KEY



Employee Perspective



Business Perspective

SELF-AWARENESS



Having high emotional self-awareness is the **strongest predictor of individual success**.³



Companies with more **self-aware employees** consistently outperform others.⁴

SOCIAL AWARENESS



80% of employees think that empathy in the workplace needs to evolve.⁷



A leader's ability to be **empathetic** has the greatest correlation with **profitability and productivity**.⁸

SELF-MANAGEMENT



People who effectively **manage their emotions** recover more quickly from workplace stress.⁵



Leaders who manage emotions will tend to achieve better business outcomes.⁶

RELATIONSHIP MANAGEMENT



46% of professionals believe that work friends are important to their overall happiness.⁹



The **top engagement condition** for **77% of employees** is their **relationship** with co-workers.¹⁰



The vast majority of top performers have strong EI scores.¹¹

WHY EI AND WHY NOW?

Several key drivers have pushed EI to the forefront across all sectors and in organizations around the globe. Behind these drivers is the theme of ever-present change in today's work environments.

A Volatile World

In the wake of almost constant organizational change, EI and related practices like mindfulness have become increasingly important for navigating complexity, combating the effects of knowledge pollution and helping workers to be more fully engaged. In his research, Daniel Goleman has found that mindfulness practice is a powerful tool for improving many EI competencies.¹²

“The fundamental building block of organizational EI is the manager equipped to translate strong social and interpersonal competencies into leadership behaviors and workplace strategies. This creates the right kind of psychological and physical conditions to make teams feel motivated, valued and trusted.”

Professor Cary Cooper

Our minds wander

47%

of the time on average.¹³

New Notions of Leadership

Goleman notes that there is less patience nowadays with leaders experienced as “bad bosses”—that is, bosses who do not connect, listen, respect, guide or share credit. This is especially true among Millennials and Gen Z, who represent a significant and rapidly growing proportion of the workforce.

Recessionary Effects

Professor Cooper singles out the global economic downturn as a primary reason why EI matters so much now. “Fewer people are doing more work,” he says, “and they’re feeling more job-insecure and more bottom-line managed.” He identifies “regrettable turnover” as a key driver of HR’s increasing focus on “soft skills”. In today’s lean and mean enterprises, retaining and developing the workforce is business-critical, but without the right people managers, there is a high risk of losing vital employees.

34%

of hiring managers said they are placing greater emphasis on EI when hiring and promoting employees post-recession.¹⁴

The Fourth Industrial Revolution

As robots and AI take on job tasks that can be automated, skills that are uniquely human will come to the forefront. MIT professor Max Tegmark explores some of the issues in his 2017 book *Life 3.0* and has some advice for today’s kids: “Don’t be the ‘quant’ who applies algorithms to the data and gets replaced by software, but the fund manager who uses the quantitative analysis results to make strategic investment decisions.”

The World Economic Forum identifies EI as one of the top 10 competencies for 2020.¹⁵

The Expanding World of Work

Changing demographics and the global nature of business have resulted in extraordinarily diverse workforces and customer bases. EI skills are essential for employees navigating this challenging environment. And for those who engage directly with customers in global markets, EI can be vital to their success.

L’Oréal discovered that sales agents who were hired for their high EI each sold \$91,000 more annually than those selected through the traditional hiring process—and there was a 63% lower turnover rate during the first year of employment among the sales people with high EI.¹⁶



A 360-DEGREE VIEW OF EMOTIONAL INTELLIGENCE

Many organizations have implemented a range of means to boost the collective EI, from hiring and spotting high potentials to more effective training and assessment. At the same time, companies are beginning to look at programs, spaces, services, amenities and other workplace touchpoints through a new lens of emotional intelligence. They're recognizing that these daily experiences can contribute to—or detract from—employees seeing and feeling that their emotional needs are truly understood, valued and met.

The View from the Top: Boosting Organizational EI

Recruiting and Hiring

Increasing the overall emotional intelligence of the organization starts with recruiting talent with a strong EI skill set. With this in mind, an evaluation of EI should be an integral part of every good hiring decision. “There is far too little being done by recruiters,” says Professor Cooper. His recommendation is to redesign selection criteria so that EI competencies become core characteristics of most job roles.

EI is a better predictor of success than previous experience or a high IQ.¹⁷

Assessment

Assessment is a key step in understanding individual and organizational progress toward enhanced EI. There are dozens of assessment instruments available to organizations, but Daniel Goleman warns that these vary in validity. He has co-developed a 360-degree instrument that combines self-assessment with ratings from individuals in an employee's network.¹⁸

Most people overestimate their EI. In one study, nearly 80% of participants reported that they were among the 50% most emotionally intelligent people in the population—an impossible figure.¹⁹

Training

EI skills can be taught, but as Professor Cooper points out, “talk and chalk” is not enough. EI training needs to be experiential and tailored to individual and corporate needs, and demands genuine participation if it is to be effective. Training can also help employees handle negative emotions and challenging situations such as critical feedback, conflict and unpopular decisions.²⁰

Programs that specifically target emotional intelligence can achieve a 70% improvement in EI competencies.²¹



The View from Within: Bringing EI to the Employee Experience

While employers would do well to focus on boosting emotional intelligence among their workforce, there's another side to the EI story. Organizations must also consider whether the workplace itself meets the emotional needs of employees and aligns with their unique motivations. This requires employers to have a deep understanding of their staff and a keen awareness of the many touchpoints that comprise the employee experience.

HR Strategies and Programs

Forward-thinking companies are reflecting on workers' fundamental motivations in order to create value from wellness programs and recognition and reward strategies. Offering programs that employees can personalize and tailor is an important first step. Creating opportunities for human interaction—for example, the ability to connect with co-workers or meet with a life coach—is another measure that organizations can take to move the needle on relevant HR outcomes.

It's no accident that the words "motivation" and "emotion" share the same Latin root. For many employees, the real motivators are on the emotional spectrum, including a sense of autonomy, a feeling of competence, relatedness to the work of the organization, and connection to colleagues.²²

Services and Amenities

One of the key ways organizations show they care about their people is through the provision of workplace services and amenities. However, it's imperative that these services create an emotional connection—not only by effectively meeting the needs of employees, but also through their delivery.

Whether interacting with the onsite café team, the workplace concierge or staff members at the corporate health club, employees expect empathy. This means a service experience that reflects their individual motivations and attends to their emotional need states.

Employees are consumers, too—and 94% of consumers believe businesses do not understand their experiences.²³



The Built Environment

At the most basic level, well-designed layouts should meet the functional needs of the people who use them. Some thought leaders are going further, considering that our day-to-day environments exert a strong influence on mood, our attitude toward the job and the relationship we have with our employer.

The most effective spaces are ones that inspire people to perform at their best, by supporting their cognitive, aesthetic and self-actualization needs.²⁴ Recognizing basic human needs when someone is having a bad day is equally important, so inviting spaces where people can work in private or take a quiet break are also features of an emotionally intelligent workplace.

Designing for Emotions

Experience design is the practice of developing products, services and environments with a focus on the user experience. Across all disciplines, workplace leaders increasingly rely on experience design as a way to enhance the employee journey—improving engagement, productivity and other outcomes along the way.

Emotions are at the heart of experience design. Whether blueprinting the physical space, selecting service offerings, or creating a rewards and recognition strategy, experience design aims to ensure that all workplace touchpoints align with dominant employee motivations and elicit the desired emotional outcomes.

Why does this matter? Because in human-centric workplaces—those that are designed for the people who use them—employees are much more likely to feel valued by and connected to their organization. And when employees are supported to effectively express and deal with their emotions, they can bring their complete selves to work, to the benefit of the individual, the team and the business as a whole.

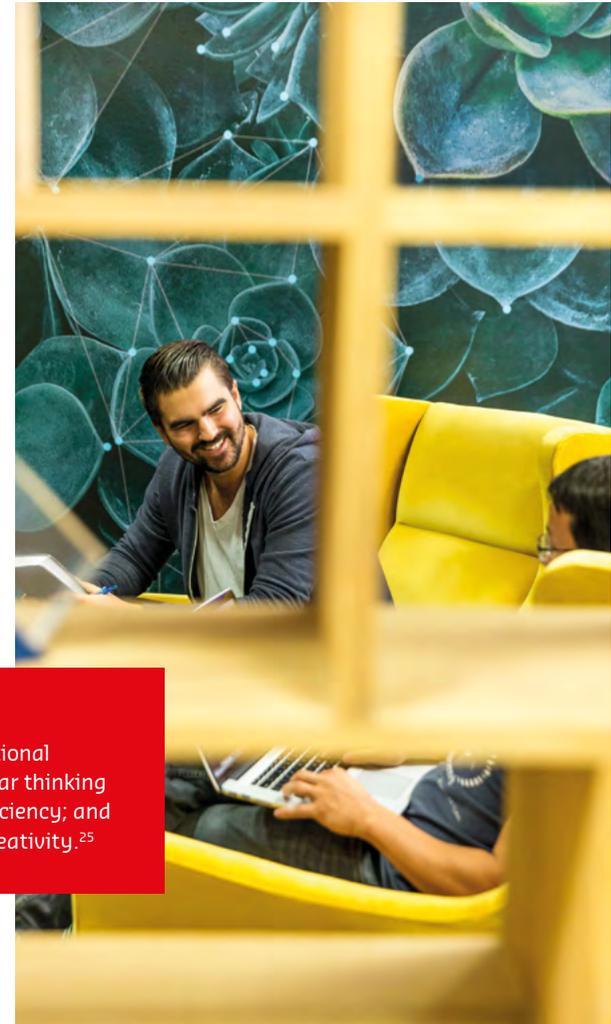
A Balanced Approach

Whichever path organizations take to enhance EI, Daniel Goleman emphasizes the need for a balanced approach. A narrow focus on sociability and likability, for instance, works against competencies linked to leadership, innovation and creativity. In the same vein, an open concept workplace may support employees' needs for social interaction, but not their needs for focus or rest.

For Professor Cooper, the primary focus should be on embedding EI at all levels of the organization. This may sound daunting, but taking small steps is key—and keeping the overall workplace experience in mind can help paint a picture of the long-term vision for success. Ultimately, forward-thinking companies know the value of the emotionally intelligent workplace—a value that will only continue to grow in importance in the years ahead.

Coloring Our Emotions

Certain colors have been shown to enhance emotional well-being and performance. Blue encourages clear thinking and concentration; green promotes calm and efficiency; and yellow stimulates optimism, self-esteem and creativity.²⁵





UNCOVERING EMPLOYEE NEEDS AND MOTIVATIONS WITH PERSONIX™

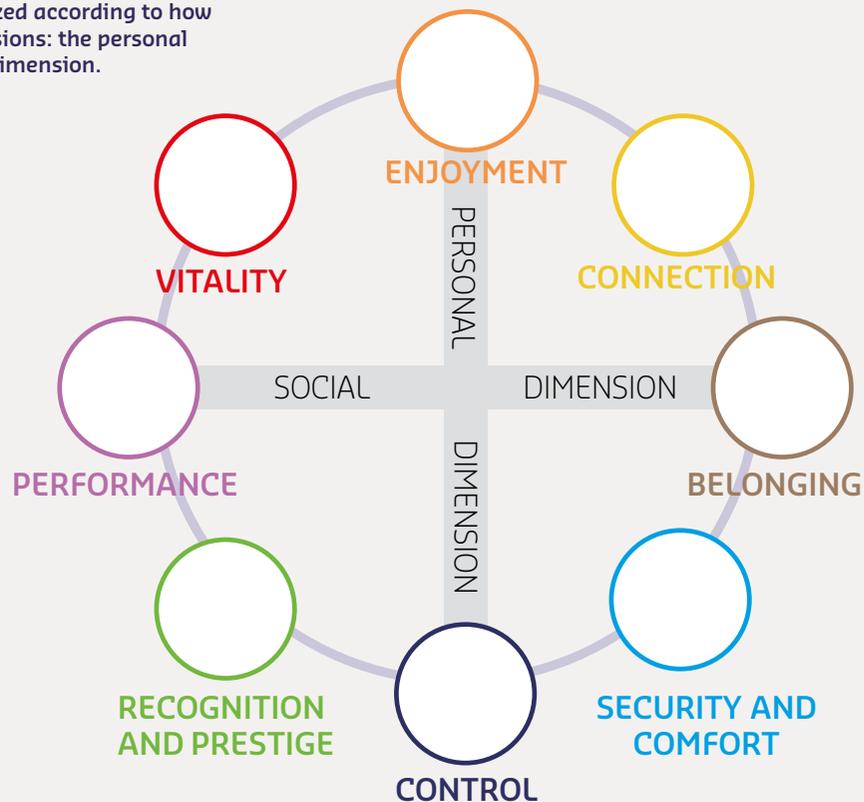
A number of techniques and tools can help workplace strategists better understand, measure and adapt to emotions. Personix™ is Sodexo's proprietary tool for understanding universal human needs and motivations, which are the same across all cultures and contexts. The tool is grounded in foundational theories of psychology and supported by extensive research.

In the context of the workplace, Personix™ gives employers an opportunity to deeply understand their workforce. The psychographic data gathered by the tool categorizes employees into eight segments based on their dominant motivations. With these motivations as the foundation, Personix™ provides insights into employee attitudes, lifestyles, personality and values.

The tool is an effective way for organizations to positively impact quality of life across the entire employee journey—from the moment employees prepare for work to the moment they arrive home. More specifically, the outputs of a Personix™ audit can help companies design the most impactful solutions and service delivery expectations relative to moments that drive key motivations.

Personix™ can define a wide array of touchpoints and solutions, ranging from space design to food, cleaning, sustainability, recreational facilities, landscaping and more. The process also allows employers to optimize factors such as level of service personalization, digitization, and choice and control, depending on needs.

Sodexo's Personix™ tool is based on eight dominant human motivations. These motivations can be organized according to how they align with two dimensions: the personal dimension and the social dimension.



HOW SODEXO BRINGS EMOTIONAL INTELLIGENCE TO LIFE

Sodexo's focus on improving quality of life starts with the conviction that an organization's strategy must be based on a deep understanding of its greatest asset—its people. Using the insights gathered through experience design, Personix™ and other tools, Sodexo works with clients to develop solutions that connect with employees on a more meaningful level.

We are also committed to service excellence, which requires an evolved understanding of how service interactions affect emotional well-being. Our employees contribute daily to the workplace experience of more than 10,000 companies in 80 countries, in a diverse range of industries and work environments. We use our deep, global knowledge of our consumers to elevate every step of the employee journey.

THE EXPERTS WE CONSULTED



Professor Cary Cooper of Manchester Business School is a distinguished academic, author, broadcaster and commentator in the fields of organizational psychology and health. Cooper was appointed Commander of the Order of the British Empire (CBE) in 2001 and was knighted in the 2014 Birthday Honours for services to social science. He participated in Sodexo's 2017 Quality of Life Conference—learn more at www.qualityoflifeconference.com.



Daniel Goleman, best known for his worldwide bestseller *Emotional Intelligence*, is most recently co-author of *Altered Traits: Science Reveals How Meditation Changes Your Mind, Brain and Body*. A frequent business speaker, Goleman has worked with leaders around the globe, examining the way social and emotional competencies impact the bottom-line.

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