



## Emotional Intelligence and its Impact on Market Management

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### ABSTRACT

*This article discusses on emotional intelligence and its performance in organizational management. Emotional intelligence is defined and this is compared with academic intelligence. Conditions of emotional intelligence and individual talents are explained to create emotional intelligence. Then, the performance of emotional intelligence is discussed in the management of the market. Also, interpersonal intelligence, hope and optimism and their role in the market management are discussed.*

**Keyword:**

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Plato said 2000 years ago: "All learnings involve an emotional and emotional base." And William James (American philosopher) said: "the greatest discovery of my contemporary generation is to realize the fact that human beings can change their lives by changing their mindset."

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### Emotional Intelligence and its Impact on Market Management

#### INTRODUCTION

Management or human factor is the most important reason for development which today humanity in all fields and in any form is seen in various communities. In fact, this is the human factor that has made the distinctions of human life

today with the agreement of the past situation. If this factor is removed from everyday life, the development and advancement is eliminated from human life. To change and movement towards better conditions, in addition to factors such as capital, raw materials, etc., the most important and the main factor is human resources. In fact, the wealth of any society is only human resources. This view may seem extreme but the reality leading proves this issue in different communities. If a community is compared with all of the financial facilities and immense wealth of the society that lacked all these facilities and they are observed that the society lacks the wealth of a higher power, the only factor creating this issue is human factor. Human factor is critical like all other social sectors in the field of economic and business affairs. This article reviews on one of the new perspectives in the field of business management. The first attention which was taken into account in the field of management and business in earnest to behave properly with human factors was related to Elton Mayo, professor of Harvard University. In a research which he did at the Western Electric Company and became known as Hawthorne studies, concluded that the emphasis on human factor was the most important tool in the development of their motivation and productivity of organizations and employees. In fact, after Taylor's Principles of Scientific Management released and implemented, there was a revolution in organizational efficiency, but equally, the organization department led to the mechanical methods that would reduce employee satisfaction. Elton Mayo efforts which in fact were the initiating a new movement in event of management and this became famous for behavioristic school, it caused that managers and business elite had a specific emphasis to the factor of human spirit inside and outside of the organization. The behaviorist approach is flourishing in the 1930s. However, until now this insight has retained its validity so that now the classifications which are used for managerial attitude of managers, they are divided into two categories: oriented-employee and oriented-workers who they are distinctions among those priorities and emphasize their focus on the work of others without regard to their spirit and those who consider employee morale and their motivation. Needless to say, the best way is the way which sides, oriented-employee and oriented-workers are important.

This seems that emotional intelligence can be an organized form from attention to human in organizations and a new and worthy instrument at the possession of business leaders and theorists of the market to guide people within the organization and customers of outside of the organization and meeting their satisfaction.

#### Emotional intelligence

When in business is discussed on intelligence, scores of university are remembered or employment tests or intelligence tests come to the minds. But in a larger sense, it can be said that there are two kinds of intelligence: academic intelligence and emotional intelligence. With limited vision that ever existed, it has been emphasized only to academic intelligence and academic intelligence is only recognized. The index of intelligence existence and index of value in different subjects has been grades or IQ test results. Tests which are usually held indoors and abstract situations

and other effective variables are minimized and in fact, environmental variables that can influence the success or failure of a business and their effect is lowered to neutral level.

In case scientists are now focused on another kind of intelligence. Emotional intelligence has at least an importance beyond academic intelligence in social life (especially business operations and marketing) and intelligence throughout history distinguishes reformers and social elite from scientific elite.

Emotional Intelligence indicates that in social relationships and mental and emotional trade-offs in certain circumstances what is practical and what is inappropriate. This means that the person in different situations can hope alive to forever, empathize with each other, hear the feelings of others, to get a larger bonus, ignore small rewards, does not allow impairing his ability to think and reason, resist against problems, and maintain his motivation at all times. Emotional intelligence is an emotional kind of talent that determines how to best possible use of skills and even helps to apply wisdom in the right direction.

Goleman in his book, Emotional Intelligence quoted Salvi, explains description of his basis on the individual talents in five major abilities of emotional intelligence that:

#### **Recognition of personal emotions**

Self-awareness and identification are each feeling as they arise; the ability to monitor feelings at any moment to gain insight and perception. They confuse inability to realize our true feelings. People who have certainty about their feelings are better able to lead their lives.

#### **Right Use of the Excitement**

The authority to regulation of emotion is an ability that relies on a sense of self-awareness. Those who are weak in terms of capacity are involved constantly with feelings of hopelessness and depression while those who have great skills more quickly can overcome adversity. This ability is a great help to eliminate or reduce environmental threats and internal weaknesses.

#### **Self-provoking**

People with these skills in whatever they undertake will be very productive and effective. To focus on self-provoking, self-mastery and to be creative is necessary and took the helm of excitement. The capability to stop indulging in work paves the way remarkable activities.

#### **Recognition of Other Emotions**

Empathy is the basis of a skill for people. Those (managers and commercial) that have high empathy pay more attention to subtle social cues indicating the needs or desires of others. This power makes them successful in management and sales professionals who require care and consideration for others.

#### **Keeping in touch**

Much of the art is communication skills of emotional control in others. These are skills that strengthen the popularity of leadership of interpersonal effectiveness. These people work well whatever refers to peaceful interaction with others and they are keys to success.

Despite the staggering growth of the brain structure in science and mathematics and logic, they have not changed in terms of emotions with early humans. Human reaction, to the anger, is the blood flow to the hands and become faster heartbeat. In the face of fear, blood flows to the skeletal muscles such as leg muscles and running becomes easy and

as a result, the face loses its color and in the face of love, this results in provoking Parasympathetic which creates a reaction of overall relaxation and pleasure and when surprised, eyebrows are raised to have a wider field of view.

In fact, despite very high growth of wisdom in human which has many differences with their ancestors, the heart and emotions and human feelings have not changed a lot and man has been increased in this area. Despite that, long before brain and logic arise, there has been emotional brain. In fact, the amygdala, which has skills in emotional issues, and activates as a source of emotional memories and in the course of evolution, mankind has been the emergence of the cerebral cortex. The human brain lives in the 21st century while his heart is in the Paleolithic era.

First, the core of interpersonal intelligence is the ability to understand and then providing an appropriate response to the mentality and temperament, motivation and demands of other people.

#### **Emotional Intelligence and Market Management**

The new idea is to use emotional intelligence in business which for many managers and traders is not defined. In fact, most managers still prefer to use their brains to do things to their hearts. Their main concern is that feeling sympathy with colleagues and clients makes distance them from dealing with organizational goals. In any case all of them should accept the rules of the game in different postmodern world and they should perform under the rule of the day.

Smart companies usually design marketing system to monitor market developments in line with personal changes and incentive laws. Marketing system is a complete process which might coordinate the companies with the best market opportunities.

The overall process consists of four main stages of market management including:

#### **Market analysis**

Market analysis usually includes market research and information systems and study of consumer markets and organizational markets. Environment is complex and changing and always brings opportunities and new threats. The company and its strategic system should always care the environment which the consideration of the environment requires much information, information about consumers and how to buy them.

#### **Selection of target markets**

No company has the ability to satisfy all consumers. Various and strong companies in similar production of goods reflect the diversity and dispersion of preferences among consumers. Each company requires studying four phases so that this can have the best use of the potential and selects the best place in the market which includes measuring and forecasting demand, sharing market, targeting in market and positioning in market.

#### **Providing the composition of components of marketing**

One of the most fundamental concepts in modern marketing is the concept of the composition of marketing. This is a set of controllable variables which the company targets them and composes to needed reaction. This combination is tools for helping the merchant to influence the market. This combination is a main key for trade in new markets which includes product design, product distribution, pricing and promotion advertising.

#### **Management of market efforts**

This process includes competitor analysis and market competition policies and planning, implementation and organization and control of marketing programs. Companies should focus an important aspect of their studies on their competitors and constantly, products, prices, the method of distribution and advertising are closely followed and they should know in what situation they are. The organization's top management should regulate its marketing programs and then implement the program by provoking all people in all levels. He should control to assure of implementing programs and to achieve goals and should not forget marketing audit.

In different layers of the marketing process, to customers as partners in the organization are emphasized. To the people who empathize and whatever the companies have service activities, this sensitivity becomes more.

Emotional intelligence can represent the company's management in each of the steps. We all have heard stories of great entrepreneurs who do not have high academic intelligence and they have not had a good state. But by relying on emotional intelligence, they have created the largest companies in the world. The biggest businessmen and entrepreneurs usually emphasize their instincts and for what the market feel that they attach great importance. When Ford says to engineers with emphasis that this is my name written at the top of the company and implements his decision represents his emotional intelligence. This means that those who affect in the market a lot, for all regional mathematical and scientific work forces are inspired. The force which has always been that of primitive man and we moving by the time, help us as helped our ancestors. In fact, successful managers who know the structure of the market and emotional intelligence as blood injects and creates surprising.

Managers and traders who have high emotional intelligence, i.e., those who know well their feelings and guide and understand their feelings and purposefully treat them, are successful in management. These people are satisfied even in personal life, and they have an authority which causes people to be productive.

In fact, organizational management should sense the way with an emphasis on emotional intelligence and specify the perspective and identify the mission of the organization and then achieve short-term and long-term by using scientific principles and theoretical marketing. Sense of serving to customers, intra-organizational empathy to retain customers and determine the organization's missions are not issues that are discussed through theoretical issues they need top intelligence which includes both interpersonal and intrapersonal intelligence.

### **Interpersonal intelligence, hope and optimism in the market serving**

First, the core of interpersonal intelligence is the ability to understand and then present an appropriate response to the mentality and temperament, motivation and demands of other people. In intrapersonal intelligence, main key is: awareness of their personal feelings which is due to self-consciousness and the ability to differentiate and use them to guide their behavior.

Interpersonal intelligence is the ability to understand other people, i.e., what causes to motivate them, how they work and how we can do common work. Successful traders and managers are those who enjoy high interpersonal intelligence.

Hatch and Gardner propose four separate abilities that are considered as components of interpersonal intelligence as follows:



#### **Organizing groups**

Having the initiative is in coordinating the efforts of a group of people. This skill is essential for leadership and each business organization is observed in effective leadership.

#### **Providing solutions**

Talent mediation is to avoid conflict or solve the conflict arisen. People who have this ability are at a high level, are of great ability in welding and arbitrating transactions and mediation.

#### **Personal communication**

Having the talent makes easy confrontation with others or identification and respond appropriately to emotions and affection of the people. These people are good trading partners and are successful in the business world as a salesman or manager and they are very successful and very popular in finding the feelings of others through facial expressions.

#### **Social analysis**

Social analysis is the ability to obtain feelings, motivations, other interests and having a deep understanding. The awareness is due to the feelings of others and these people become intimate with others. At best, we can say that someone with that ability would be a good business consultant.



Optimism and hope are other features of those who possess high emotional intelligence. Hope has a surprising role in commercial and management of people and professional life for everyone relies on his hope dealing with commercial business. Hope is vision and bright prospects indicating everything will be fine in the end. Schneider defines hope as follows: whatever your goal is, you have a will to achieve it and knows its way. People who their hope is endless, when they fail to achieve the purpose, for example, in the contract of dealing, believe that they should attempt and work harder and they think to sets of works which they could cause the transaction to be successful and learn from them.

Optimism like hope has also many effects in success of commercial work. Optimism which means a person has a lot of patience and waiting. An expectation in this regards that in spite of obstacles and discouragements, totally the whole life will be all right. Optimisms consider failure that they can compensate.

In a study which Silkman did on marketers of insurance company of MetLife, it was specified that marketers who are inherently optimistic, in its first year, on average, have insured people 37 percent more than the pessimists and leaving a job in the first year among the pessimists have been double for the optimists. The ability for people to hearing and accepting the negative response with happy face is crucial in all aspects of sales and commercial trade-offs.

#### CONCLUSION

Purchase, sales, market, management and business inevitably deal with the human factor both in the internal environment of the cell which comprise units of people and in the external environment of the organization that management deals with human factors. Of the bureaucrats who formulate business rules and groups of social reference such as sports heroes and artists that people's preferences are directed in buying goods and fashion vogue altogether and the family which especially on big purchases are the main focus of consultation and final customers who are main buyers that sales representatives and distribution of all human factors are followed as a central core. Emotional intelligence as the ability to understand the feelings and needs of others is a very useful help in guiding others in a way that leads to long-term and short-term goals and satisfaction of people and society.

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