

# **EMOTIONAL INTELLIGENCE UNDERSTANDING AMONG REAL ESTATE PROFESSIONALS**

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## **ABSTRACT**

*Having competency in emotional intelligence has proven to be an effective skill leading to an individual's overall success in the workplace. When working with real estate clients, awareness and proper application of emotional intelligence could benefit the realtor by meeting the needs of their clients. An online survey instrument was distributed through social media (Linkedin and Facebook). The survey addressed 17 questions ranging from the acknowledgement of the rules of engagement to denoting an agent's gender. Eighteen real estate professionals participated in the study. Survey results supported the conclusion that an awareness of emotional intelligence among licensed real estate professionals exists, and realtors could be trained on the topic of emotional intelligence. By noting the benefits of being aware of emotional intelligence and providing the appropriate application training, increased financial returns for the agent and greater customer satisfaction may be achieved.*

**JEL:** M00, Z00

**KEYWORDS:** Emotional Intelligence, Real Estate Professionals, Realtor™

## **INTRODUCTION**

Fair and appropriate compensation for work exists throughout the business environment. Success and promotion within the work environment depends upon the ability to get along with management, peers and clients. Regardless of the chosen field, the understanding and effective application of emotional intelligence (EI) has been proven to be an effective tool in providing positive benefits in the workforce (Kidwell, Hardesty, Murtha, & Sheng, 2011; Lam & Kirby, 2002; McCoy, 1997). For this study, the researchers focused on licensed real estate professionals. By possessing the EI skills, one can achieve greater financial success yielding in a greater agent-customer experience. This study analyzes data collected from a survey of licensed real estate agents. The researchers determined whether an understanding and application of EI can quantifiably improve Realtors'™ efficiency and effectiveness with clients and coworkers. The remainder of this document includes three sections: a) a literature review, b) a data and methodology area, and, c) concluding comments. The literature review includes a history of EI as it relates to sales and the real estate profession. Next, the method for obtaining the results and the data is presented in tabular format with a brief explanation. An analysis of the data and whether the hypothesis was supported will be discussed. Finally, we present concluding statements and offer suggestions for future research.

## **LITERATURE REVIEW**

The purpose of this literature review was to identify the current literature available in the field of EI, sales, and real estate. Researchers used EBSCOHost, ProQuest, and Google Scholar to conduct their research. EI is a learned and practiced skill (Goleman, 1998). Few peer-reviewed journal articles were found on EI and real estate sales. Several studies were found on how individuals with high EI can enhance and increase the potential for positive outcomes (Carmelli, 2003; Deeter-Schmelz & Sojka, 2003; Landy, 2005; Sojka & Deeter-Schmelz, 2002). Real estate sales professionals could work to increase their EI to be successful

when working with clients (Crant, 1995; Cross, Brashear, Rigdon & Bellenger, 2007; Kidwell et al., 2011; Rozell, Pettijohn, & Parker, 2004). Mayer and Salovey (1997) called it, "The ability to perceive, integrate, understand and reflectively manage one's own feelings and other people's feelings" (p. 103). Research revealed a connection between EI and performance. EI as it relates to real estate sales has briefly been discussed in scholarly literature. Most of the peer-reviewed literature related to general sales efforts. By conducting this study, the results may benefit the field of real estate and in a greater sense may change the landscape of communications and relationships in business and academia.

Gardner (1983, 1993) introduced the theory of multiple intelligences and claimed humans were intelligent far beyond the traditional concept of math and language. Gardner's definition of intelligence was "the ability to solve problems, or to create products, that are valued within one or more cultural settings – a definition that says nothing about either the sources of these abilities or the proper means of 'testing' them" (p. x). People must broaden the concept of human intelligence by including a wider set of competencies. Gardner suggested eight intelligences (1999):

*verbal-linguistic intelligence, the ability to possess spoken and written language skills (lawyers, speakers, educators);*

*logical-mathematic intelligence, the ability to analyze problems logically and carry out mathematical operations, and conduct scientific inquiry (mathematicians, statisticians, scientists);*

*musical intelligence, appreciation and recognition of rhythm and musical patterns (musicians, composers, performers);*

*bodily-kinesthetic intelligence, the ability to use part of all of one's body to solve problems (athletes, dancers, surgeons, mechanics);*

*spatial intelligence, the ability to view and manipulate wide areas of space (navigators, pilots, graphic artists, architects);*

*interpersonal intelligence, the ability to understand the motivation and feelings of others (educators, salesperson, religious leaders, political leaders); and*

*intrapersonal intelligence, the recognition and understanding of one's own emotions and desires and the "ability to use the information in productively regulating one's life" (p. 43).; and,*

*naturalist intelligence, the recognition of flora and fauna (environmentalist, gardener, botanist, scientist).*

Goleman (1995) declared EI, Gardner's intrapersonal intelligence, as the ability to motivate oneself and continue in the face of frustrations, to control impulse and delay gratification, and to regulate one's moods. Beyond the traditional intelligence quotient (IQ) that measures verbal-linguistic and logical-mathematical intelligences as a predictor of academic success, Goleman believed IQ only contributed about 20% to the factors determining life success, while 80% of contributions were in other influences (McCoy, 1997, p. iii). People with high EI could enjoy a more satisfying and rewarding career and life (McCoy, 1997). For this reason, Gardner's intrapersonal and interpersonal intelligences are critical for sales people. Individuals who perform with high EI effectively handle frustrating circumstances. Goleman (1995) posited that interpersonal intelligence is the ability to perceive and relate to the emotions of others effectively. Both intrapersonal and interpersonal skills are essential in successful and productive sales people. Deeter-Schmelz and Sojka (2003) identified a high level of interpersonal skills as the link between a sales persons' EI and sales performance.

Tasso (2009) discussed a sensitive trust that related to EI. Much like EI, the ability to sell is not innate or inherent. A successful Realtor™ understands the needs of the client and the clients themselves. Kidwell et al. (2011) discovered that when using EI, real estate agents perform effectively. Success is the goal of a real estate professional. Golis (2011) discussed the relationship between EI and the intelligence quotient (IQ) and their relationship to success. Although individuals do not agree on the importance of EI in success, many sales professionals have been trained with no real credit given to the study of EI. Golis promoted that establishing better relationships can develop, thus increasing sales. Developing open relationships is a key factor in sales success.

Ritter (2011) defined EI by beginning to define emotional quotient (EQ), as Goleman has questioned whether IQ alone determines success. IQ is no longer the absolute indicator of overall success. Unlike IQ, EI can be improved by learning about it, practicing it, and improving it. Blocker (2010) described the quality of EI between agents and their clients that promotes specifically, that EI can produce a negative effect impact on sales performance. Noting a two-sided study, Blocker found that being on the same emotional wavelength, with their clients, is an important factor to creating value and promoting positive relationships. Real Estate Agents and their clients showed that the party possessing the most (strongest) EI determined in part, the success of a transaction. Training was emphasized to correct imbalances.

Sarkar (2010) conducted a study that attempted to account for the other 80% of the factors that contribute to overall success. Sarkar attempted to understand EI and that spiritual intelligence are related. Doehrman (2003) focused on the training and development in fostering true leaders (their ability to motivate others) involved effective communication, mainstream EI, and the appreciation of one's own, as well as others' intelligence and the ability to leverage strengths and minimize drawbacks. Doehrman supported the idea that leadership requires seasoned maturity, experience, and EI in order to develop time leadership. Doehrman fostered the notion that individual professional promotion depends on emotional dependency. Lam and Kirby (2002) discussed the importance of EI and its relation to performance and productivity. As an increasingly popular consulting tool, EI accounts for increases in individual cognitive based performance over and above the level attributed to traditional general intelligence. Emotional intelligence was broken down into three components: perceiving, understanding, and regulating. McCoy (1997) identified emotional hijacking as when people become enraged over trivial events. At times, emotions take over the entire experience and create a bigger situation than really exists (Goleman, 1995). Oftentimes, real estate decisions are made based on elements out of one's control, such as an economic bubble or the fiscal cliff. Clients turn to Realtors™ for answers and may get emotional when considering items that are beyond their control, thus creating an emotional meltdown or an emotional hijacking. A real estate agent with high EI could be better prepared to cope with emotional situations.

Kokemuller (2014) described the suitable careers, such as sales professionals, as having high EI to achieve positive results. Working well with others, controlling emotions and having empathy for others are paramount in the sales career field. Weisinger (2012) applied the importance of EI as it specifically related to Realtors™ and their individual success. Developing ones' EI through self-awareness and reacting appropriately in sensitive emotional situations are keys to success for anyone in the real estate profession. Naghavi and Redzuan (2011) stated that EI has been associated with satisfaction, adaptability, overall intelligence, personality, and emotional disorders. Naghavi and Redzuan described the difference between the genders. Their research supported that females have higher EI than males, yet, high EI in males provides a better predictor of achievement and success than in females.

## DATA AND METHODOLOGY

The researchers conducted a pilot study using an online survey instrument. As presented in the Van Teijlingen, Rennie, Hundley, and Graham (2001) report, a pilot study may be completed in preparation for

a future study. Conducting a pilot study allows the researchers to modify the study questions, if needed (van Teijlingen et al., 2001). Survey research is commonly used in applied social research (Trochim, 2006). Kelley, Clark, Brown and Sitzia (2003) stated that the root of social surveys was in Victorian England where “social reformers” (para. 1) gathered information on the working class and poverty levels. The study was conducted using an Internet survey tool called Survey Monkey. One of the benefits of the survey methodology was the ability to create anonymity and reduce the chances of participants to influence other participants. Braidfoot and Swanson (2013) and Zobisch and Swanson (2013) used a similar research technique with success. Using an online survey instrument allowed for participants to remain anonymous. Eighteen participants completed the online survey at their own residence or office and could not be influenced by other participants.

**RESULTS AND DISCUSSION**

An introductory question (not included here) addressed the understanding of the rules to participate in this survey with 100% of participants responding that they were at least 18 years old. In question one, the participants were asked if they were currently a licensed real estate sales agent. Seventeen of 18 participants were currently licensed. Participants were asked where they received their license. Participants were licensed in 11 different states: Colorado (five), Arizona (three), California (one), Illinois (one), Iowa (one), Louisiana (one), Maryland (one), Oklahoma (one), Oregon (one), Tennessee (one), and Washington (one) (Table 1).

Table 1: Number of Licensed Real Estate Agents

Question	Yes	No	Other
1: Are you currently a licensed real estate agent?	17 (94%)	1 (6%)	CO (5), AZ (3), CA (1), IL (1), IA (1), LA (1), MD (1), OK (1), OR (1), TN (1), WA (1)

*This table shows how many realtors participated in the survey and where the participants were from.*

In this section of the survey, the researchers assessed the participants’ knowledge of emotional intelligence. Participants indicated whether they had received any training on emotional intelligence. Almost 90% of the participants had heard of emotional intelligence, yet almost 90% of the participants had not received any formal training on emotional intelligence either as part of their real estate licensing or in another field of study. Almost 90% of the participants had experienced a situation where a client became distraught or emotionally upset (Table 2).

Table 2: Participants Who Heard of Emotional Intelligence, Were Trained, and Have Experienced an Emotional Situation on the Job

Question	Yes	No
2: I have heard of Emotional Intelligence	16 (89%)	2 (11%)
3: Have you had any formal training in emotional intelligence as a part of your real estate licensing course work or renewal?	2 (11%)	16 (89%)
4: Have you received emotional intelligence training as a part of another field of study?	8 (44%)	10 (56%)
5: When meeting with clients in the past, have you personally experienced a situation where a client became distraught or emotionally upset?	16 (89%)	2 (11%)

*This table shows how many realtors had heard of emotional intelligence and whether they have received any training on emotional intelligence. The final question identifies the number of participants who have experienced an emotional situation on the job.*

Looking at the responses in terms of groupings, disagreed and strongly disagreed are grouped together and agreed and strongly agreed are grouped together. Three themes emerge from the responses: 1) EI is

beneficial; 2) EI could be a part of real estate training, and 3) EI could improve productivity. Participants stated that EI is both a learned and an innate trait. Participants stated that EI training is valuable and could be implemented in the overall training for the real estate profession. Eighty-eight percent of participants believed that if training in EI could increase their productivity by 25% they would like to participate in training (Table 3).

Table 3: Overall Understanding of Emotional Intelligence

Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
6: I have a clear understanding of emotional intelligence.	0	2 (11%)	2 (11%)	8 (44%)	6 (33%)
7: I believe that using emotional intelligence in my work as a realtor is useful.	9 (50%)	6 (33%)	3 (16.6%)	0	0
8: I believe that emotional intelligence is only a talent you are born with.	4 (22%)	8 (44%)	4 (22%)	1 (5%)	1 (5%)
9: I believe that emotional intelligence is only a learned behavior.	3 (16.6%)	9 (50%)	3 (16.6%)	2 (11%)	1 (5%)
10: I believe that emotional intelligence is both a talent you are born with and a learned behavior.	0	1 (5%)	2 (11%)	8 (44%)	7 (39%)
11: I believe that using emotional intelligence in my work as a realtor could improve my job performance.	0	0	0	8 (44%)	10 (55.5%)
12: "Emotional intelligence is your ability to recognize and understand emotions in yourself and others, and your ability to use this awareness to manage your behavior and relationships" (Paterson, 2011, p. 80). When working with clients do you use emotional intelligence?	0	0	0	8 (44%)	10 (55.5%)
13: Bradberry and Greaves (2009) indicated that EI is "so critical to success that it accounts for 58% of performance in all types of jobs" and "is the single biggest predictor of performance in the workplace and the strongest driver of leadership and personal excellence" (p. 20). Based on this statement, should emotional intelligence be included in the primary curriculum for licensing of real estate professionals?	1 (5%)	2 (11%)	4 (22%)	6 (33%)	5 (27.7%)
14: Do you think that emotional intelligence should be included as a continuing education unit (CEU) for real estate sales professionals?	0	2 (11%)	4 (22%)	5 (27.7%)	7 (39%)
15: When dealing with an emotionally distraught client, did you feel comfortable with the situation and confident in knowing what to do?	1 (5%)	1 (5%)	4 (22%)	6 (33%)	6 (33%)
16: Would training in dealing with an emotionally distraught client be beneficial to you?	0	0	3 (16.6%)	7 (39%)	8 (44%)
17: If appropriate training in emotional intelligence could increase your productivity by 25% or more, would be of interest to you?	0	0	2 (11%)	8 (44%)	8 (44%)

*This table reflects participants' opinions on emotional intelligence explaining their knowledge and understanding of EI and their ideas on incorporating training into the real estate profession.*

### CONCLUDING COMMENTS

The purpose of this study was to assess the current level of understanding and significance of EI among real estate professionals. In this pilot study, licensed realtors were found via social media (Linkedin and Facebook) and responded to 17 questions. The results of the study reflected a positive relationship between EI and realtor economic rewards and client satisfaction. Having an EI competency has proven to be an effective skill for sales people (Kidwell et al., 2011). The understanding and the application of EI appears to be an effective tool in providing positive benefits in the workplace. By possessing the necessary skills, in this discipline, one can increase his or her chances of greater financial success and improvements in interpersonal skills. Although the researchers found a strong awareness of EI among the participants, they indicated a lack of training in EI skills. Formalized EI training could increase their success, both in maintaining a strong client base and having greater financial rewards.

Strengths and limitations of the study exist. A strength was the ability to generalize these results throughout the overall population of real estate professionals. A limitation of the study included the self reporting of participants. Future research will be conducted in the area of EI and real estate professionals, specifically, a Delphi study establishing the expert opinions on implementing EI in the real estate field.

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## BIOGRAPHIES

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Dr. Paula J. Zobisch is an Assistant Professor in the Forbes School of Business at Ashford University. She earned her PhD in Adult Education from Capella University. Her Master of Business Administration with an emphasis in Marketing and her Bachelor of Science in Business are from the University of Central Oklahoma. Dr. Zobisch has over 20 years experience in the marketing field and has worked in business-to-business industrial sales and as a director of marketing for a 3M distributor. She teaches marketing management, consumer behavior, and marketing research courses at Ashford. Dr. Zobisch says, "I am a perfect example of how an adult can be successful and grow while attending school. I earned all of my degrees while working full time and raising a family, in addition to maintaining a home as a single parent. It seems the more I learn, the more I am aware how much there still is to learn." She resides in Broken Arrow, Oklahoma, and has two adult sons and four grandchildren. Dr. Zobisch enjoys outdoor activities, jumping the waves on her Sea Doo, is a certified Krav Maga instructor, and is currently working on her black belt, second level, in the Executive Black Belt Club in Tae Kwon Do. - See more at: <http://www.ashford.edu/community/business-paula-j-zobisch.htm#sthash.k18DxW3e.dpuf>