

## **Luxury Institute: How To Create An Emotionally Intelligent Organization**

**(NEW YORK) September 4, 2019** – Recently, the Harvard Business Review published breakthrough research entitled “The EI Advantage: Driving Innovation and Success through the Power of Emotional Intelligence.” The study was conducted with hundreds of executives and managers at top organizations globally. Key insights include the fact that only 18% of executives strongly agree that their organizations have ingrained EI into their cultures. The study shows that the benefits are huge. Emotionally intelligent organizations report significantly stronger employee and customer experiences, higher levels of customer loyalty, and greater customer advocacy by a factor of 4:1. By now, the tangible value of emotional intelligence in business, defined in the study as self-awareness, self-control, empathy, and social skills, has been proven to be a performance builder. Unfortunately, the Harvard study finds unequivocally that “companies worldwide are underestimating the value of EI, and there is a growing disconnect between what executives say about the importance of company culture and what they are actually doing.”

The Luxury Institute’s researchers confirm these findings. After implementing its Luxcelerate High Performance Training System over last ten years, Luxury Institute has learned some key lessons in executing culture effectively. The vast majority of implementations have been highly successful. A few were less successful, and there is learning from both. Luxcelerate is a high-performance peer and client relationship-building system based on advanced neuroscience. It focuses on teaching and reinforcing the power of emotional intelligence along with the skills of self-mastery and coaching. Using this system, individuals can build fruitful relationships with clients and peers. Luxury Institute has found that the value of EI is highly underestimated by executives. Similar to the steps required to become an elite championship team in any sport, even when they value an emotionally intelligent culture, most executives fail to *consistently execute* a humanistic, high-empowerment culture. Like professional sports teams that never become winners, the root causes are disengaged leadership, poor mental/behavioral habits, ambiguous definitions of performance, lack of practice and coaching, failure to measure critical inputs, and the failure to execute consistently daily. In short, many executives and teams find the demands of the execution daunting, even if they are unable to admit it to themselves and others.

It does not have to be that way. Below, Luxury Institute provides four candid, proven recommendations that will help organizations create and execute an emotionally intelligent culture. They are based on what successful CEOs do daily in order to create and maintain a culture that attracts and retains top talent and top clients.

## **1. The CEO and senior team must be consistent in their purpose and values**

Leadership absolutely sets the tone for creating an emotionally intelligent culture. Often, the CEO mandates that an emotionally intelligent culture be put in place. However, if she does not first define a noble purpose for the enterprise that goes beyond financials, and that reasonably serves the emotional and economic needs of all constituents, including employees and clients, the project will fail.

Further, the leadership team's values, or shared beliefs, must be aligned with the organizational purpose. If there is a leadership team member who does not live the purpose or values consistently, then that leader must be exited quickly. These expired-mindset/expired-behavior dissenters, especially at senior management levels, sabotage the entire company culture. If the CEO and leadership team are not judged by employees to be genuine and trustworthy in implementing an emotionally intelligent culture, the project has zero chance of success. Fortunately, most leaders and senior team members are humanistic and understand the moral and economic value of trust and taking care of human needs in business. That is why most emotional intelligence culture transformation projects get off to a good start. However, good intentions are never enough.

## **2. Hire an objective and independent trusted expert advisor to serve your best interests**

When it comes to executing major change, especially with habitual mindsets and behaviors, all human organizations need trusted external experts. The highly respected executive coach Marshall Goldsmith, who has worked with, and studied, high-performance leaders, states that humans often fail because they do not have the ability to objectively evaluate themselves, or their performance. They deny the need for help and structure, and completely overestimate their willpower to make changes. It is literally physically painful for most humans to confront, or admit, their shortcomings. But confronting reality is the gateway to greatness in sports, and in business.

Luxury Institute finds that there are numerous areas and occasions where clients are in denial and need to confront the facts about their perceptions and their behaviors. This is where Luxury Institute, as a trusted expert advisor, has challenged the client team with kindness and diplomacy to face the reality of major performance gaps. If the trusted expert advisor is afraid of losing the contract, or is afraid of the client, they will never be able to serve in a fiduciary role that serves the client's absolute best interests. The three greatest performance myths found by Luxury Institute in organizations include: "we are already doing that", "we can't possibly do that", and "we don't have time to do that". These myths must be confronted head-on. Just like in professional sports, companies must hire trusted experts with courage and integrity who will serve their best interests, especially when individual or organizational objectivity fails. This extreme honesty, especially in difficult

times when performance stalls, is the X factor that maintains momentum throughout the journey.

### **3. Emotional intelligence is complex; distill and simplify the tasks for consistent execution**

Search the term “emotional intelligence” and you will find that the definitions and prescriptions are ambiguous at best. For example, how does one achieve self-awareness when it is so painful to admit failure and mistakes? How do humans achieve self-control when the idea of changing habits stimulates fear and doubt? How do people execute empathy well? What are “social skills”? Does a person who achieves a high score in an emotional intelligence test actually behave emotionally intelligently with peers, or clients, especially under pressure? Unfortunately, to define these ambiguities, many academics and consultants have resorted to creating paralyzing lists comprised of the 20-60 core competencies of emotional intelligence. Additionally, they have created dubious psychological testing methods. Experience proves that there is no substitute for clear, decisive action in emotional intelligence.

To create a practical way forward, Luxury Institute worked with neuroscience researchers, psychologists, and top performing executives and sales associates to distill the critical few elements that make up an effective and emotionally intelligent peer and client interaction. The result is the identification of four key competencies that are easy to understand and execute when used intentionally, consistently, and creatively in any human interaction. Over time, these simple actions help individuals to build and maintain long-term relationships that drive financial performance. The four competencies, known as *The Pillars of Emotional Intelligence*, are: expertise, deep empathy, trustworthiness and generosity. Each is easy to define and deliver by a CEO, executive, manager or front-line level associate. By focusing on intentionally executing the pillars within any peer or client interaction, and by unleashing their individual human *creativity* each time, any employee can create an extraordinary and unique experience for the other party, and, very importantly, for themselves. This is not a perfect solution; it is a work in progress. Yet, it has proven to be a superbly effective way of motivating consistent, innovative, positive behaviors. Additionally, it helps organizations to achieve positive sales results by driving dramatic increases in customer conversion, retention and referrals at the front-line. Associates say these elements are the 20% of emotional intelligence drivers that comprise 90% of an extraordinary human-to-human experience. Most importantly, they report that these simple life skills help them to transform into better parents, sons, daughters and partners. Just as in science and nature, a few simple, clear, and decisive positive principles, when well-executed, outperform complicated schemas in catalyzing high-performance.

### **4. Put in place an emotional intelligence system, not just a training program**

Like an elite professional team, any company that seeks to create an effective, consistent emotionally intelligent culture must work at it daily. The company must reinforce a daily *system*, not just execute a training program. Today, human resources will hire a consultant to deliver, or develop a training program that every employee must attend. The inspirational and educational training program is highly interactive with lots of fun exercises and insights. Everyone walks out elated and, for all intent and purpose, it's over. The employee's EI measures are baked into the annual review. Done!

By continuously studying high-performance in the military, professional sports, medicine, top schools for the underprivileged, and many other institutions of superb excellence where expert performance is critical, Luxury Institute has designed a system that embeds and reinforces the importance of emotional intelligence skills daily using self-mastery and coaching tools. Executing this system leads to successful business outcomes. Briefly described, the system begins with employees being empowered to contribute to designing the key elements that make up associate-to-client and peer-to-peer experiences. These are the relationship building standards. These standards are "what" every associate is expected to execute daily. The four pillars cited above are the "how." All employees are trained on the purpose, values, the standards and the four pillars of emotional intelligence through a series of workshops, then certified online to demonstrate learning.

Subsequently, every employee takes turns daily being both a learner and a trainer of the standards and pillars. This ingrains the knowledge of the content and the culture. Each day, employees are required to spend brief periods of time practicing the standards with the pillars for an upcoming, important associate-to-client or peer-to-peer experience. Additionally, employees are required to measure their behaviors ("what" they are doing in quantity) as well as their emotions ("how" they are doing in quality) daily. Associates are required to self-assess and self-reflect on their performance, based on their goals, weekly and monthly. Managers transform into coaches who listen and ask powerful questions that help their associates become independent, self-mastered individuals. This coaching technique sparks and inspires creative solutions from the associates themselves. The associates use the self-reflection, self-assessment, and feedback to transform themselves into emotionally intelligent relationship-building experts. There are initial traction periods, and periodic reinforcement workshops, that inspire and stimulate behavioral and emotional transformation.

In summary, the employees are trained on the purpose, values, relationship standards and the four pillars of emotional intelligence. Then, a daily, weekly, and monthly regimen of reinforcement triggers helps them to self-assess, self-measure, self-coach and self-correct. This drives self-mastery and accountability by the employees themselves in emotional intelligence skills, along with building their professional expertise. Leaders don't have to hold employees accountable. They will do that, as empowered adults, all by themselves.

Like elite athletes, employees learn to master the dual tracks of professional expertise and emotional intelligence skills. They help one another to execute with humanity. In most environments where adults and professionals work, acute self-awareness, driven by empowerment to teach, practice, measure and coach is seen as ridiculous, remedial, and redundant. After all, the employees practice “live” on each other and the clients every moment of the day. The question leaders have to ask is how that undisciplined process is affecting performance. In the most elite teams, where high-performance and high-risk live side-by-side, no true professional would ever consider not executing any of those critical activities daily to improve their performance. Professionals in business must learn to respect themselves, their peers, and clients enough to adopt the techniques of elite professional sports teams and treat emotional intelligence as a skill instead of a hobby.

Even with these proven “how-to” recommendations, creating an emotionally intelligent culture will be a major challenge. It is simple, but not easy. The question every CEO and senior management team needs to ask, and confront head-on, is whether they are really up to the task. The organization may continue to stumble on without an emotionally intelligent culture for a short while. However, in today’s unforgiving, high-risk business terrain, failure to create an emotionally intelligent culture puts long-term survival at risk. Embracing the challenge of building an emotionally intelligent culture will dramatically increase the odds that organizations will flourish while competitors choke on their toxicity.

### **About Luxury Institute and the Global Luxury Expert Network (GLEN)**

Today, Luxury Institute is the world's most trusted research, training, and elite business solutions partner for luxury and premium goods and services brands. With the largest global network of luxury executives and experts, Luxury Institute has the ability to provide its clients with high-performance, leading-edge business solutions developed by the best, most successful minds in the industry.

The Global Luxury Expert Network (GLEN) is a growing network of hundreds of luxury goods and services experts who form the core of Luxury Institute’s research, training, and business solutions teams. Now, the best minds in the industry are available to you on a project basis. Our experts have a minimum of 12-years of operating experience and are current and/or former C-level, VP or Director executives at top-tier luxury brands with proven track records of high-performance. Their expertise spans over dozens of luxury and premium goods and services categories. Their real-time intelligence, diverse perspectives, strategic and tactical analysis, innovations, recommendations and solutions are critical to the success of all clients.

The Luxury Institute will carefully select the right experts to serve your needs while managing the project from start to completion. All team members selected to participate on your project will be vetted to ensure the highest levels of expertise, integrity, confidentiality, and zero conflict of interest.

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the expertise of emotionally intelligent luxury

Over the last 16 years, Luxury Institute has served over 1,100 luxury and premium goods and services brands. We have conducted more quantitative and qualitative research with affluent, wealthy and uber-wealthy consumers than any other entity. This knowledge has led to the development of our scientifically proven high-performance, emotional intelligence-based education system, Luxcelerate, which dramatically improves brand culture and financial performance.

To learn more about Luxury Institute, request a project, or become an expert of GLEN, please contact <https://www.luxuryinstitute.com>.