

ESTABLISHING BEST PRACTICES FOR INCLUDING EMOTIONAL INTELLIGENCE IN REAL ESTATE PROFESSIONALS

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ABSTRACT

Competency in emotional intelligence, whether learned and/or improved, is an important skill for those in the field of real estate sales. Evidence from studies in the area of real estate and in the general area of sales have indicated that a correlation exists with individuals who have high emotional intelligence and improved sales performance. A thorough literature review and the delivery of an online survey taken by 31 real estate professionals was conducted. From this research, Swanson, Hamilton, and Zobisch created a list of best practices for incorporating emotional intelligence into the field of real estate professionals.

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KEYWORDS: Emotional Intelligence, Personality, Sales, Real Estate Professionals, Realtor™

INTRODUCTION

Swanson and Zobisch (2014) researched the topic of emotional intelligence and the real estate profession as a component of sales in 2013 conducting a detailed literature review, *Emotional Intelligence Understanding among Real Estate Professionals* in the Review of Business & Finance Studies (RBFS). Due to the fact that limited research exists on this topic, the researchers desired to extend their research to include the opinions of at least 30 experts in the field of real estate to validate their previous research.

The remainder of this document includes three sections: a) a literature review, b) a data and methodology area, c) results, and, d) concluding comments. The literature review includes a summary of emotional intelligence and how it relates to the real estate profession. An explanation of the exploratory survey methodology used in this study and an analysis of the data will be discussed. Finally, concluding statements will be presented to include a list of best practices, and future opportunities for research and projects will be addressed.

LITERATURE REVIEW

Few studies are available where emotional intelligence in real estate-based professionals has been completed. Swanson and Zobisch (2014) addressed the importance of understanding EI in real estate professionals. Hamilton (2008) examined relationships between EI and mortgage sales performance. Hamilton found that increased levels of EI correlated with improvement in sales. In addition to these two studies, research regarding EI and real estate-related issues are examined.

Swanson and Zobisch (2014) found that “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)”. Swanson and Zobisch researched several studies which revealed that when people demonstrated high EI the opportunities for positive outcomes such as increased revenue exists (Carmelli, 2003; Deeter-Schmelz & Sojka, 2003; Landy, 2005; Sojka & Deeter-Schmelz, 2002). Further, specific studies addressed real estate sales and showed that people can work on increasing their EI to be more successful (Crant, 1995; Cross, Brashear, Rigdon, & Bellenger, 2007; Kidwell, Hardesty, Murtha, & Sheng, 2011; Rozell, Pettijohn, & Parker, 2004).

O’Boyle, Humphrey, Pollack, Hawver, and Story (2011) determined through a meta-analysis study that EI is an important influencer in job performance. Joseph and Newman (2010) tested the EI metrics in an effort to predict job performance. Joseph and Newman (2010) found the EI metrics demonstrated validity and even exceeded job predictors such as the Big Five personality traits (agreeableness; conscientiousness, emotional stability, extraversion, and openness). Verbeke, Belschak, Bakker, and Dietz (2008) claimed EI in sales was the critical factor in determining sales performance. Although sales people might have a high general mental ability (GMA), they may still have low or disappointing sales performance if they lack EI competencies.

Kidwell, Hardesty, Murtha, and Sheng (2011) measured the effect of EI on the sales of real estate and insurance agents. While cognitive ability can allow sales professionals greater understanding regarding how their products function and how such benefit might be applied to prospective customers, having a high EI allowed the sales agents greater understanding and the ability to interpret the facial expressions and non-verbal communication cues. The sales agents with high EI were aware of their emotions and were able to manage those emotions through the highs and lows of the sales process (Punwatkar & Verghese, 2014). Real estate sales agents with high EI were better able to communicate with unreasonable, fearful, or angry prospective customers. Agents with high EI who can empathize and understand the emotions that might occur during the complex process of buying a home are more likely to develop positive customer relationships and close more sales (Kidwell, Hardesty, Murtha, & Sheng, 2012).

Emotional intelligence can be found in the underlying premise of two intelligences (interpersonal and intrapersonal) of Gardner’s theory of multiple intelligences (Gardner, 1983, 1993). Goleman (1995) suggested interpersonal intelligence included the ability to recognize and react to the emotion of others in a manner such as empathy or compassion. Intrapersonal intelligence is the ability to perceive and manage one’s own emotions in such a manner as self-awareness, self-motivation, and self-regulation.

Self-awareness is a person’s perception of the manner in which one projects oneself to others; whereas self-regulation is the ability to manage one’s emotions. Self-motivation is the ability for the person to motivate himself/herself internally rather than depend upon outside sources from others for motivation. Deeter-Schmelz and Sojka (2003) indicated sales people with high EI credited interpersonal and intrapersonal intelligences as key factors in their success. EI is a critical factor in determining a sales person’s success. Although Sojka and Deeter-Schmelz (2001) have created EI exercises designed specifically for sales, valid and reliable research instruments are needed to more accurately measure the correlation between EI and sales performance.

Snyder, Claffey, and Cistulli (2011) analyzed similarities between how real estate agents handled dealing with burnout similar to other workers who held human-service jobs. This study may be important because burnout may be a factor associated with having empathy when dealing with stressed clients. Bar-On (2006) included stress tolerance, impulse, and control as part of his definition of stress-management scales in the area of emotional intelligence. Snyder et al. chose to compare real estate agents with human-service jobs due to the interests of their brokers and clients that agents must consider and the stress that might ensue

from this. The authors surveyed 287 real estate agents to determine their empathetic responses. The area of EI importance exists because empathy is often included as a factor in Goleman's and Bar-On's definitions (Salovey, Brackett, & Mayer, 2007).

Other authors have addressed the area of burnout in the real estate industry. Love, Goh, Hogg, Robson, and Irani (2011) acknowledged the importance of interpersonal contact within the real estate industry. Salovey et al. (2007) explained that having interpersonal skills was a key component of EI as defined by Bar-On. Although Love et al. (2011) did not specifically use the wording emotional intelligence in their study, the fact that they researched interpersonal contact and its relationship to burnout is important to the area of EI research. Their results indicated that it was important to real estate brokers' health promotion to understand the stress obtained from interacting with clients.

Castleberry and Shepherd (1993) acknowledged the importance of interpersonal skills in sales people. Although, they do not specifically address real estate agents, Castleberry and Shepherd acknowledge an important point about the lack of research available regarding interpersonal skills and effective listening ability in sales professionals. These qualities may be an important part of a real estate agent's daily requirements. The importance of improving EI in sales has been demonstrated by Kidwell et al. (2011, 2012) and found that EI improved performance which may be important in buyer and seller interactions.

The importance of EI in real estate professionals may be important from the broker's perspective. Eppler, Honeycutt, Ford, and Markowski (1998) explained that hiring the correct real estate professional can reduce cost by reducing poor performance and turnover. Eppler et al. (1998) believed it was important to research self-monitoring and adaptiveness in real estate agents; their results indicated there was a positive relationship between these factors and income. Adaptability is another major area of an emotional intelligence skill as defined by Bar-On (Salovey et al., 2007). Many of the EI skills as defined by Bar-On were the reason Hamilton (2008) chose his EQ-i instrument to measure EQ in mortgage professionals.

DATA AND METHODOLOGY

Drs. Swanson, Hamilton, and Zobisch completed an exploratory survey on the topic of applying emotional intelligence with real estate professionals. Due to the lack of research that has been conducted on this topic, it was necessary to do exploratory research to determine if there is a need for further study. Exploratory design is "...conducted about a research problem when there are few or no earlier studies to refer to. The focus is on gaining insights and familiarity for later investigation or undertaken when problems are in a preliminary stage of investigation" (Exploratory Design, 2014, para. 1). LinkedIn and Facebook were used to contact potential real estate professionals; thirty-one participants responded to the survey. Eight questions relating to emotional intelligence and the real estate profession were asked of the participants and three questions gathered demographic information (gender, years of experience, and state of real estate licensure).

RESULTS

Thirty-one participants were deemed experts in the field of real estate and participated in the survey. The following data was pulled from Survey Monkey (Table 1). Consensus was achieved for four of the questions (1, 3, 4, and 6). Twenty participants indicated that they would be willing to participate in a beta test of online, asynchronous training on emotional intelligence.

Table 1: Participants Responses to Emotional Intelligence and Real Estate Survey

Question	Agree	Disagree	Neither Agree or Disagree
1: Emotional intelligence is the ability to identify and manage your own emotions and the emotions of others. It is generally said to include three skills: Emotional awareness, including the ability to identify your own emotions and those of others; The ability to harness emotions and apply them to tasks like thinking and problems solving; The ability to manage emotions, including the ability to regulate your own emotions, and the ability to cheer up or calm down another person." (Psychology Today, 2014) Kidwell, Hardesty, Murtha, and Sheng (2011) stated, "Sales professionals with higher EI are not only superior revenue generators but also better at retaining customers" (p. 78). Emotional intelligence may have positive results on my real estate business.	31 (100%)	0 (0%)	0 (0%)
2: Emotional intelligence may be learned and improved on.	27 (87.1%)	0 (0%)	4 (12.9%)
3: A Realtor™ may use emotional intelligence to improve his or her work performance.	31 (100%)	0 (0%)	0 (0%)
4: When working with clients, emotional intelligence is one of many tools that may be useful.	31 (100%)	0 (0%)	0 (0%)
5: Emotional intelligence could be included as a Continuing Education Unit (CEU) for Realtor™ curriculum. "CEU stands for Continuing Education Unit. A CEU is a unit of credit equal to ten hours of participation in an accredited program designed for professionals with certificates or licenses to practice various professions." (Source: www.orau.gov/td/CEUs.pdf)	26 (83.87%)	0 (0%)	5 (16.13%)
6. Emotional intelligence may benefit me when working with an emotionally distraught client.	31 (100%)	0 (0%)	0 (0%)

This table shows the consensus that was achieved with 31 participants who were deemed to be experts in the field of real estate.

CONCLUDING COMMENTS

The results of this study showed that real estate agents agreed that EI may have positive results on their business. They understood that EI could be improved. They may use it as one of their tools when working with clients and may benefit them when working with emotionally distraught clients. The majority also believed it could be important to include as part of their continuing education requirements.

The study addressed real estate agents perceptions of the importance of EI based on providing them with a simple definition. It may be important to delve more deeply into their perceptions of the importance of emotional intelligence. This might be achieved by discovering the agents' levels of emotional intelligence also known as their emotional quotient (EQ). This EQ measurement may be obtained by having agents take an assessment like the EQ-i. The EQ-, created by Reuven Bar-On, is one of the most valid instruments for collection of EQ (Hamilton, 2008). If such an instrument was used, the data could be correlated with other factors such as sales performance. This would allow for examination of levels of EQ. The current study examined simply the perception of EQ.

Although this study gave some initial insight into how real estate agents' perceptions of EI, it may be important to add to this research based on the results from the asynchronous training. The twenty participants might be able to add some more perspective as to their impression of the importance of EI training after they have completed it. It might be an important opportunity to ask open-ended qualitative questions about how what they believe could be gained specifically from improving EI in real estate professionals.

Additional quantitative research could also provide further insight. Questions about specific aspects of EI could be addressed. EI issues like stress management and interpersonal skills could be important to address. Answers that require a Likert-like scale of 1-5 for responses could also achieve more usable data.

The purpose of this study was to conduct a detailed literature review to see if the topic of emotional intelligence and real estate professionals had been addressed. Few studies have been completed that address this population. Hamilton (2008) showed a correlation between sales performance and EI in mortgage sales professionals. Although this is a somewhat similar industry, it has unique differences. If sales performance

could be correlated with EI in real estate agents, this could provide useful information. Neils, Quoidbach, Mikolajczak, and Hansenne (2009) found EI may be improved. Therefore, if real estate agents could utilize techniques to improve levels of EI, there may be a correlating improvement in performance. Only further research could help determine this.

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 administering the MSCEIT to real estate professionals.

Best practices to include in the field and study of real estate sales professionals are as follows: 1.) Interpersonal, 2.) Intrapersonal, and 3.) Training in EI. Interpersonal skills are most useful for real estate agents to include the ability to empathize and recognize a wide range of emotions in others as well as the ability to calm the fears or anxiety of prospective homeowners (Deeter-Schmelz & Sojka, 2003; Goleman, 1998). Intrapersonal skills are most useful for real estate agents to include self-awareness, the ability to project one's desired image to others; self-regulation, the ability to manage one's emotions; and self-motivation, the ability for the real estate agent to motivate internally rather than depend upon outside sources for motivation (Deeter-Schmelz & Sojka, 2003; Goleman, 1998). The survey used for this research study provided results that supported the need for training on EI for real estate professionals. One-hundred percent of the participants agreed that "Emotional intelligence may have positive results on my real estate business"; "Emotional intelligence may have positive results on my real estate business"; "When working with clients, emotional intelligence is one of many tools that may be useful"; and, "Emotional intelligence may benefit me when working with an emotionally distraught client". Eighty-seven percent of the participants agreed that "Emotional intelligence may be learned and improved on."

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BIOGRAPHY

Dr. Andree Swanson (andree.swanson@ashford.edu) is a full-time Assistant Professor in the Forbes School of Business at Ashford University. She earned a Bachelor's degree in Business Administration and Management from the University of Maryland European Division, a Masters of Human Relations from the University of Oklahoma, a Masters of Arts in Organizational Management from the University of Phoenix, and a Doctorate in Educational Leadership from the University of Phoenix. She has specialized in distance learning, and values teaching students with diverse backgrounds and schedules. "Having earned my degrees from both traditional classrooms and online learning systems, I value the interactive and responsive instructor." In addition to acting as an educator, Dr. Swanson has worked as a corporate trainer, at one point becoming the national training manager for a rental company. Andree and her husband, Craig, enjoy their family, genealogical research, Facebook, and travel. They have one son and also own three AKC-champion Irish Setters, Wilson, Stewie, and *Kamikaze Ozzie*.

Dr. Diane Hamilton (diane.hamilton@ashford.edu) is a full-time Assistant Professor in the Forbes School of Business at Ashford University. She earned her Ph.D. from Northcentral University, her Master of Organizational Management from University of Phoenix, and her Bachelor of Science in Business Management from Arizona State University. Dr. Hamilton has over 35 years of experience in industries such as software, pharmaceuticals, mortgage, and real estate. She specializes in management, marketing, and HR-related courses; although she enjoys some of her other courses which touch on ethics, foresight, and entrepreneurial issues. Dr. Hamilton stated, "I enjoy teaching a variety of courses. I also appreciate how experience has helped me be a better professor. I can relate to my students' issues because I have obtained all of my degrees while working full time." Dr. Hamilton, her husband Bob, and her two daughters all enjoy traveling and leading active outdoor lives.

Dr. Paula J. Zobisch (paula.zobisch@ashford.edu) is a full-time 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.