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Strategic Planning Using Emotional Intelligence

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Abstract:

Since the collapses of the U.S. financial structures, strategic planning continues to be an integral stage of the project management process. Project managers who participate in strategic planning often time are under pressure to derive effective plans and solutions that aim to manage risks and costs. Findings from this research show when emotions become a part of the strategic planning process, adaptability is added by and value is added to the team, processes, and project. The results of the research implicates the use of intuition are essential to manage risks and costs at a level beyond using predictive analytics.

Keywords: Project management, planning, emotional intelligence, finance, intuition

1. Introduction

Project managers are key stakeholders to drive well-informed strategic decision-making agendas that aim to transform organizations in the future (CIPFA, 2012). Because project management requires commitment, determination, teamwork, and leadership, project managers must discern the right processes for each element of the project. Planning, which is an integral part of the project management process, encompasses means to manage costs, avoid risks, and find solutions (CIPFA, 2012). When project managers follow a gut feeling, the process allows new ways of thinking to emerge (Evans, 2010; Sadler-Smith & Shefy, 2004; Sullivan, 2011). This research focuses on the integration of emotional intelligence (EI) in the strategic planning process, as thinking and learning are elements of adaptability, and rating one's style of leadership and contributions to a project demonstrates intrapersonal intelligence (Garg & Rastogi, 2009; Goleman & Boyatzis, 2008).

1.1. Background

Emotional intelligence will become a larger factor in project management through team collaboration and corporate governance (CIPFA, 2012). Emotional intelligence encompasses adaptability and intrapersonal intelligence (Mayer, Salovey, & Caruso, 2008). Adaptability usually follows the evaluation of emotional depth through thinking and learning (Garg & Rastogi, 2009). Intrapersonal intelligence is the value system of an individual whereby self-understanding emerges (Goleman & Boyatzis, 2008). Trust, ethics, accountability, and loyalty form a distinctive balance to ensure the successful completion of a project (Goleman & Boyatzis, 2008; Landrum & Daily, 2012).

An individual's internal gut emotions collaborate adaptability and intrapersonal intelligence to guide the decision-making ability (Evans, 2010; Sadler-Smith & Shefy, 2004; Sullivan, 2011). Negative emotion may have a direct effect on emotional behaviors, which allude to risk-taking (Druckman & McDermott, 2008). The intuition helps compensate for the positive and negative emotions (Druckman & McDermott, 2008; Evans, 2010; Rosman, Biggs, & Hoskin, 2012). Intuition may take on explicit or tacit knowledge subject to the use or project (Evans, 2010; Rosman *et al.*, 2012).

Emotional intelligence capabilities allow individuals to evaluate different emotional capabilities to expand ones horizons. Growing beyond emotional adaptability and expanding beyond an individual's emotional capabilities enable one to progress beyond limitations and expand into new areas, such as strategic planning and project management (Caust, 2009). Limitations may include the lack of financial planning, assessing risks, and understanding performance measures.

1.2. Theoretical Foundation and Literature Review

The core of project management process is managing effectively the finance functions via relations founded on trust and integrity (CIPFA, 2012). Project management has been a part of strategic planning processes that reflect the goals, mission, and vision of future in-house projects and the projects of competitors. Project management involves forecasting, modeling, resource planning, sustainability, contract negotiation, and supporting transformation (Ahmed & Duellman, 2012; CIPFA, 2012; Viscont, 2013). Different departments within the project management team, such as finance and purchasing, thus, add value to the team (CIPFA, 2012). Analyzing different options and coordinating across the organization may encourage the management of risks and costs (Andersen & Nielsen, 2007).

1.2.1. Risk Management

Risks associated with any project include failure, incorrect projections, market, financial, operating performance, communication, teamwork, and macroeconomic (Thaler, 2005; Visconti, 2013). Situations that may impede the progress of construction project, which include cost over-runs, strikes, or lack of supplies and quality and knowledgeable in-house team members, may impede accounting projects (Enshassi, Kumaraswamy, & Al-Najjar, 2010; McGill, 2011). Overestimation by elaborate budgets for future returns of project projections may delay recognition of losses and later conservative accounting practices (Ahmed & Duellman, 2012). On the other hand, overestimation may create optimistic return in asset values (Ahmed & Duellman, 2012). Continual reviewing and monitoring of project finances and financial risks, thus, has been imperative to the control of costs and cash flow for future returns (CIPFA, 2012; McGill, 2011).

Organizations that have a strong corporate governance structure are possibly more successful at project risk valuation than others (Ahmed & Duellman, 2012). Analytical thinking tends to link to risk assessment and valuation, financial planning, and the use of all applicable organizational resources associated with meeting future goals or projects (Andersen & Nielsen, 2007). Managing the uncertainty of risk within any project, however, may reflect a guessing game. Project managers are tasked with assessing the significance of risk and identify potential areas that are prevalent to risks and monitor the processes (Hillson & Murray-Webster, 2006). The strategic planning processes performed with a rational analytical approach to strategic management can be conceived as a fair integrative strategy making process within the organization that creates value by optimizing economic efficiencies in an aligned organization for the success of the project (Ahmed & Duellman, 2012; Andersen & Nielsen, 2007).

1.2.2. Cost Management

Budget implementation is one of the key factors associated with the success of any project. Various forms of budgets include appropriation, flexible, capital, and master (Martin, 1990). The projection of financial stability, forecasting, risk, and valuation is based upon financial ratios; that is, debt to equity, price earnings ratio, free cash flow to equity (FCFE), and earnings before interest expense (or income), taxes, depreciation, and amortization (EBITDA; Thaler, 2005; Visconti, 2013). Current and past operating cash flow are also important indicators of projection of the valuation of project finance and budgets.

Services and spending are now a crucial role in project managements (CIPFA, 2012). New fundamental thinking paradigm will change the way project management is assessed through costs, goals, and finance (CIPFA, 2012). Project management may change in the future from not just focusing on budgets, but managing costs (CIPFA, 2012). When unexpected situations arise, management is tasked with determining how to manage the costs not the budget to deliver as contracted (CIPFA, 2012). Proactivity or planning, thus, may save money, produce an adaptive workplace, and establish long-term customer relations (CIPFA, 2012; David & Congleton, 2013; Hillson & Murray-Webster, 2006).

1.2.3. Intuition

Using intuition as a part of the new paradigm of thinking requires foresight, perception, and flexibility to allocate resource to approach problems and address new opportunities (Evans, 2010). Although project managers may lack expertise associated with certain elements of a project, the managers have the capabilities to lead to success using interstrategic planning techniques and intuition (Ahmed & Duellman, 2012; Thaler, 2005). Intuition does not trump the planning process, as intuition, which is at the subconscious level of emotional intelligence, adds another dimension to emotional understanding (Hillson & Murray-Webster, 2006; Oatley, 2004). Furthermore, senior executives prefer using conservative methods rather than rational methods to approach situations (Sadler-Smith & Shefy, 2004; McGill, 2011).

Performance measure, tracking key cost drivers, and ensuring financial control are key operatives to transformational change (Ahmed & Duellman, 2013; CIPFA, 2012). A project manager, furthermore, must keep in mind the public interest during a major organizational renovation (CIPFA, 2012; Visconti, 2013). Changes to the environment, community, or other important issues may impact the organization (Ahmed & Duellman, 2012; CIPFA, 2012; Visconti, 2013). An organizational structure that encompasses emotional intelligence may be effective in approaching many of these issues (CIPFA, 2012). Interpersonal skills are necessary to deal with many different personalities (CIPFA, 2012). Communication, arts of negotiation, and leadership are key in forming relations with internal and external stakeholders.

2. Methodology and Findings

For this exploration conducted in 2013, data were collected by Brigitte's Technology Consulting and Research Firm from 7 project managers with strategic planning experiences (see Table 1). Five to 10 informative participants are sufficient to gain a better understanding of a subject matter in phenomenological research (Leedy, 1997). Findings may help with gaining a better understanding on how project management techniques may be used to avoid financial crisis. Findings aimed to show the perceived EI of project leaders and how EI influence the overall planning process.

Title	Education	Age	Gender	Race	Years in current sector
Business Analyst	Doctorate's	56	Female	Caucasian	33
Project Management	Masters of Business Administration	47	Male	Caucasian	18
Credit/Collection Supervisor	Masters of Business Administration	48	Male	Caucasian	25
Staff Officer	Doctorate's	47	Female	African American	5
Financial Advisor	Bachelor AB Political Science	44	Male	African American	11
Lead Information System Engineer	Master's	--	Male	--	25
Sr. Project Manager	Bachelor's	45	Male	African American	25

Table 1: Demographics of Project Managers

Several professionals asked to complete the questionnaire were involved in planning, but were not involved with the finance or costs associated with the project. Many project managers on social media are involved in information technology (IT) projects. Others were involved in marketing and construction management projects.

Each project manager was assumed to occupy a leadership role. Other members of the team were not asked to give their perspectives on the projects discussed. The research, furthermore, does not account for how members of the project management team worked with other departmental teams to ensure the accuracy and quality of the projects.

Email distribution and social media were the primary source to find qualifying project managers. In regards to limitation, there is no way of verifying who answered the online questionnaire. Four research questions guided the current research.

2.1. Planning and Project Management Environment

The environment of which planning commence may contribute to the outcome of the project and of which projects are lead may contribute to the outcome of the product, process, or services. One project included transforming all paper medical records into electronic medical records or establishing "Value Recovery (VR) Reuse program(s) to pro-actively drive the utilization of policies directly aligning with federal, state, and local municipality law, code, policy and procedures directly in compliance with Industry Standards, Business Associates' Standards, and Hospital Authority Policy for HIPA Compliance." During the pre-planning stage, the project managers either "organized the session based upon the socioeconomic and education status of the client," referred to best industry practices, and identified business requirements. One project manager,

planned, managed, and generated program documentation and managed program registration, allocation and accountability processes and reporting of activities by design engineers, architects, technical SME(s) providing support to infrastructure (emerging technologies; voice, video, data networks, wireless technologies, storage, and server(s) topology).

Three of the project managers used teleconference and technical platforms, such as Skype and GoToMeeting, to plan projects and organize committees, such as risk management committees. Table 2 shows the current focuses of the project managers. Stakeholders in project management meetings may include, but are not limited to database administrator, IT manager of the local site, primary business constituents, IT analysts, and clients. Meetings also commenced in physical office structures, such as law office conference rooms.

Current Tasks
Project management, business analysis, systems development, customer support
Management four credit analysts, reporting, collections, credit analysis
Money management, qualified plans implementation
Project management, technical lead
Developing milestone, resource and time management, project management through lifecycle, and executing of methodology(s): PMBOK, SDLC, Waterfall, and Agile

Table 2: Focuses of Project Managers

2.2. Leading Strategy Formations

Being the right actor to lead the project, the project managers reflected on their knowledge, skills, and experiences surrounding the nature of the projects. In regards to knowledge, right actors are perceived as having knowledge of the business function and needs, data mining and modeling, the quantity of records need to be sent to the contractor. In regards to skills, right actors are perceived as knowing how to critically analyze the business requirements and having the acumen to determine computing needs to address requisites.

In regards to experiences (see Table 1), right actors have experience in risk management, working with "financial and investment clients regardless of race, sex, socioeconomic, or education status," and computer programming. One male project manager's military experiences instilled pride and good work ethic to take responsibility included:

- 25+ years of experience in designing, configuring, implementing change management, information assurance respectively for telephony, LAN / WAN, Wi-Fi Wireless, Satellite, Back-Haul Networks, Transmission and Transport Networks, while integration of product(s) and program(s) servicing Network Operation Centers (NOCs), data centers, call centers in a hospital or DMZ environment. . . had a specialty in administration, application and complex design of computer networking theory and practice.

2.3. Presentation of Initial Plans

The presentation of plan or proposals to deploy a project or program to the team members is essential to obtain buy-in prior to the implementation. Some plans are approved prior to the presenting to the working team or would serve no benefit to ask for some perspectives. For example, one project manager stated, "the local IT manager, IT analyst, and DBA were on board because after implementation their involvement would no minimal." Although some strategies have previously been used by clients and resulted in approval, oftentimes, the presentation of new proposals and ideas are not welcomed. Team members may not understand the process; thus, the team leader who are often characterized as the expert and perceived as being responsible for knowing may need to adjust the plans to meet the organizational needs.

To obtain buy-in, minimize disruption, and reduce risk, team leaders may consider if the plans and timeline accommodate the schedules of business constitutes. For example relating to the record project, team members complained about the amount of time and work that would go into accounting for the shipment and the returning and receiving of each record into the units. Allowing for team members to help revise the plans encourage buy-in and induces individual insight. One project manager stated, "[Team members] are also experts. It would be foolish to think there is only one solution to a given problem. Each solution has merit and must be assessed as it relates to the business requirements."

2.4. Specific Solutions Associated with Planning Problems

Some project managers encountered major problem during the planning processes. The availability of human and material resources to implement a project or changes can limit processes. Human resource availability has been impacted by a death, the lack of volunteers, and no meeting of the minds. Surviving business associates may have limited knowledge about financial planning and lack working capital.

Consensus positively influences the implementation or deployment of strategies. One project manager stated that consensus is usually established following a standard of risk management practice (e.g., "Basel 2 Capital Adequacy"). Social relationships, thus, stimulated consensus. Stakeholders as acquaintances respected one another and tended to form consensus.

Another project manager stated that collaboration amongst team members, strong communication, the use of diverse database information sources, and willing to adapt to change help reach common goals. Two project managers shared similar view: "The factors that positively influenced the consensus of the strategy happened when I asserted a stronger tone, one predicated on years of experience and ownership." "The business manager had enough clout within the IT organization and among his peer managers to assert his needs over the priorities of other areas of the business."

When project managers, however, are assigned to projects whereby the project manager is not included in the major decision-making collaborations, to meet the business requirements, analysis of the current issues may need to be conducted. The IT project manager as a mediator between competing suppliers derived a laboratory strategy that recreated various scenarios to duplicate or recreate the problem and derive solutions. Another project manager shared, "Once changes were complete, post analysis was conducted to compare to the original state showing needed improvements." Recreating scenarios, post analysis, and gaining approval of adjustments from executive leaders, thus, often stimulate consensus.

3. Results and Conclusion

Project management and emotional intelligence can be synonymous with situational analysis whereby internal emotions (cognitive ability) that guide managers on their paths are used correctly to lead in a manner without fear or anger (Hillson & Murray-Webster, 2006). Project managers who identify and assess the significance of risk and potential areas prevalent to risks while monitoring the processes do not seem to fear sharing the plans associated with their projects (Hillson & Murray-Webster, 2006). When project managers think, learn, apply value system, and self-reflect, tasks are not as difficult as originally perceived.

Value should be displayed in the planning processes and during performances (Goleman & Boyatzis, 2008). The results show that the presentation of financials and costs, however, are absent in the presentation processes. Explanations centered on costs may help team members understand the direction and value of the project. Project managers who do not have expertise associated with costs of the project may use intuition to obtain emotional understanding of the elements associated of high risks and costs (Ahmed & Duellman, 2012; Hillson & Murray-Webster, 2006; Oatley, 2004; Thaler, 2005). For example, the duplication of projects continues to be associated with increased costs.

Self-reflection should be considered when the project is complete to determine if analytical thinking or intuition drove performances and buy-in (Andersen & Nielsen, 2007; Garg & Rastogi, 2009; Goleman & Boyatzis, 2008). Analytical thinking that is based on policies and laws, socioeconomic and education status of clients, identified business requirements continue to be measures in the pre-planning processes. The use of reviews, recreated scenarios, standard of risk management practice, and input provided through via means, such as technical platforms (Skype/GoToMeeting), continue to be used to subdue conflicts and establish consensus.

If a meeting of the minds cannot be reached using traditional methods, project managers may consider using their gut feeling (Evans, 2010; Sadler-Smith & Shefy, 2004). When project managers use intuition to understand and manage costs of unplanned risks and compare leadership styles and trust levels of stakeholders associated with a project, senior leaders are likely to buy into the project planning process because intuition has been a means used by executives during risk management functions (Sadler-Smith & Shefy, 2004; McGill, 2011). Future research may encompass if using intuition during the strategic planning processes cease the expansion of financial crises or disruption of global operations. Post analyses using intuition on the ceasing of the expansion of the impacts of financial crises and the adaptability of in-house project team members to global financial crises seem to return limited results (McGill, 2011).

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