

Higher emotional intelligence leads to better decision-making

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The anxiety people feel making investment decisions may have more to do with the traffic they dealt with earlier than the potential consequences they face with the investment, but not if the decision-maker has high emotional intelligence a recent study published in *Psychological Science* suggests.

The study shows that understanding the source and relevance of emotions influences how much sway they have over individuals' decision-making and can affect the willingness to take risks.

"People often make decisions that are influenced by emotions that have nothing to do with the decisions they are making," says Stéphane Côté, a professor at the University of Toronto's Rotman School of Management, who co-wrote the study with lead researcher Jeremy Yip of the Wharton School of the University of Pennsylvania. "Research has found that we fall prey to this all the time.

"People are driving and it's frustrating," says Prof. Côté. "They get to work and the emotions they felt in their car influences what they do in their offices. Or they invest money based on emotions that stem from things unrelated to their investments. But our investigation reveals that if they have [emotional intelligence](#), they are protected from these biases."

The study's first experiment showed that participants with lower levels of emotional understanding allowed anxiety unrelated to decisions they were making concerning risk influence these decisions. Those with

higher emotional intelligence did not.

A separate experiment involving the willingness to sign up for a flu clinic found that people with lower levels of emotional intelligence can also block unrelated emotions from influencing their decisions about risk, simply by making them aware that their anxiety was not related to the decisions at hand.

"The findings suggest that an emotionally intelligent approach to making decisions is if you're feeling anxious because of something unrelated to the decisions, to not make the decisions right away," suggests Prof. Côté.

The findings likely apply not only to [negative emotions](#) a person may experience but positive ones too, such as excitement. And far from suggesting people should try to rid themselves of all [emotional](#) influence in their decision-making, the paper points out that learning to pay attention only to those feelings that are relevant to the decisions being made is what counts.

"People who are emotionally intelligent don't remove all emotions from their decision-making," says Prof. Côté. "They remove emotions that have nothing to do with the decision."

Provided by University of Toronto

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