

# Role of Emotional Intelligence in Corporate Decline and Successful Turnaround Strategy in This Changing World

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## Abstract

In this changing world many corporations descend into decline for a variety of reasons including poor management, empire building mentality of dominant autocratic CEOs, weak financial management, high expenditure profile, cut-throat competition, and others like the Icarus Paradox and organizational inertia. These factors become possible in most cases due to the absence of effective leadership, and resilience that would provide the team spirit to navigate the corporation towards the paths of sustainability. This study examines the relationship between emotional intelligence and corporate decline because the former as the ability to manage emotions in oneself, in others, and in groups is one of the most accepted ideas in recent business history to suggest important ways to lead effectively. This suggests that emotional intelligence leads to positive behaviours and results to successful turnaround strategy. Using survey research design the result shows positive correlation between emotional intelligence and successful turnaround strategy. Due to limitations further study could examine the relationship between CEOs management style and corporate failure. The principle of win-lose approach should be recognized in business negotiations regarding corporate restructuring.

## Keywords

Icarus Paradox, Empire Building Mentality, Weak Financial Management, Poor Management, Corporate Failure, Restructuring, Successful Leadership, Successful Intelligence

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## 1. Introduction

Since the twentieth century when the theory of emotional intelligence was popularized it has become widely appreciated as the new science of success. Emotional intelligence is a unique topic within the construct of positive psychology that influences the regulation and integration of emotions in oneself, in others, and in groups. It reflects a tendency to act in a certain manner when confronted with a certain situation in which case the individual's reaction is expressed either in speech or behavior. The construct can be described by content, what it is, or by direction, which may be positive, negative, or neutral feelings about a situation in

question [1]. The science of emotional intelligence is applicable in everyday life, including in work and management positions to enhance desirable results. It is composed of a variety of meta-factors such as self-awareness, leadership, discipline, vision, impulse control, integrity, love and spirituality, among others that can help in overcoming an adverse situation. It enhances constructive thinking, and the emotional regulation of followers by leaders. This theory of effectiveness emphasizes that positive emotion may alter memory organization so that cognitive material is better understood and integrated and then diverse ideas are seen as more useful in decision-making and solving complex social problems and turning disappointment to

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success [2-7]. Corporate decline is a situation of failure or where a corporation is in a competitive disadvantage. A bad situation where the affected corporation is unable to earn about the average profit level within the industry of operation. Corporate decline is usually characterized by issues, in poor management, overtrading, weak financial control, high expenditure levels, cut-throat competition, shifts in demands and market changes, over-confidence, and organizational inertia. These are certainly attributes embedded in emotional blindness which frequently drives hitherto successful corporations into premature decline and eventual failure. Many studies on corporate failure point to the fact that it is often preceded by a situation of poor leadership. This is about the reason why any successful restructuring or turnaround strategy is always anchored on bringing in new leadership. The assumption is that corporate decline is a manifestation of visionless leadership, because where there is no visionary leadership the people and their organization perish. Leaders who lack emotional intelligence lack vision and they create two major problems; they fail to provide direction or incentive to move the corporation to the next level, and also they lack passion for corporate excellence. Such impotent leaders become problems not only for their membership but also for the corporation because leadership ability determines the rate and level of corporate success or effectiveness [8-9]. Competent leadership is critical in a restructuring situation because it is a top management strategy towards reversing the deteriorating status of the corporation. Competent and transformational leadership come on board with discipline, vigor and demonstrable level of integrity to define the paths of successful turnaround strategy [10-13]. According to Sanusi [14] a turnaround situation can be defined as one in which business performance is persistently below some minimally acceptable level. Consequently, a turnaround strategy is a situation where top management tries to redeem an enterprise characterized by limited resources, poor management, poor morale, sceptical allies, and urgency. Thus, top management is in a hurry to do internal and external analyses, as well as restructuring in attempts to achieve successful resuscitation of the collapsing corporation [15]. In a situation of this nature, emotional intelligence takes the center stage in attempts at successful turnaround strategy because the factor of discipline leads to integrity and this is an element of corporate loyalty and productivity [16-18].

### 1.1. Research Problem

In recent business history, especially since the global financial crisis of the 2000s there have been cases of corporate decline and failure as in the cases of Enron and Worldcom, for example, due to factors ranging from sheer lack of managerial or leadership competence to poor

management and other issues. Some of these issues hinge squarely on critical lack of emotional intelligence with regard to individuals' behavior and performance detrimental to corporate excellence. In this changing world, characterized by advancements in information and communications technology (ICT), marketing competitiveness, and narrow profit margins, elements of trustworthiness, passion, empathy, discipline, vision and service-orientation are stills seriously lacking in some people put in positions of corporate responsibility which often leaves the doors and windows open for corporate decline. Some of these attitudinal failures like laziness and lack of impulse control usually manifest in poor corporate performance. For example, during the global financial crisis and the bank failure syndrome in Nigeria, there were cases of fighting and wrestling in the corporate boardrooms of distressed banks, which did not help their already bad conditions. Also, the situation in Nigeria where at least about 90 percent of textiles manufacturing companies are in a turnaround situation requires urgent attention in terms of quality leadership. Even though emotional intelligence does not provide for the proverbial *paradise on earth* but it involves the capacity for impulse control. Many people in high corporate positions are angry and without the mastery and application of emotional intelligence their anger can deteriorate to aggression; which will not help in regaining the confidence of sceptical allies and significant investing public during restructuring process. Sometimes, the drive to be powerful expresses itself in general hostility, awkwardness, being generally quarrelsome, and in extreme cases, in the use of physical force, shouting and banging the table violently. This drive is very close to the desire to escape when confronted with an intolerable situation and escalated due to lack of anger control mechanism. The strong desire to control and possess power over others, are like the Icarus Paradox in the Ancient Greek Mythology, and can lead the corporation to eventual demise [19].

### 1.2. Research Rationale

The present study was carried out due to the urgent need to revamp the ailing textiles industry in Nigeria. A country where there are high rates of poverty and unemployment cannot afford to ignore the need of resuscitating corporations that will help in national growth. The study also seeks to emphasize the need for emotional education as an important management strategy.

### 1.3. Research Objective

The study was designed to explore the relationship between emotional intelligence and successful turnaround strategy.

### 1.4. Research Questions

Can leadership contribute to successful turnaround strategy?

- Is self-awareness important in successful turnaround strategy?
- Do you think discipline is a factor of emotional intelligence?
- Can integrity help in a corporate restructuring situation?
- Is trustworthiness necessary in effective management?
- Does self-control help in performance improvement?
- Is impulse control useful in corporate governance?
- Do you believe that vision is a measure of emotional intelligence?

- Can honesty contribute positively in negotiations?
- Is resilience an attribute of emotional capacity?

### 1.5. Conceptual Framework

A conceptual framework is the nature of the study and shows the relationship between the variables of interest and the study problem. It is usually expressed as a model. A model is used to explain, clarify and identify issues that would otherwise be buried in an excess of words, and leads to theory building. The conceptual framework for this study is shown in figure 1.

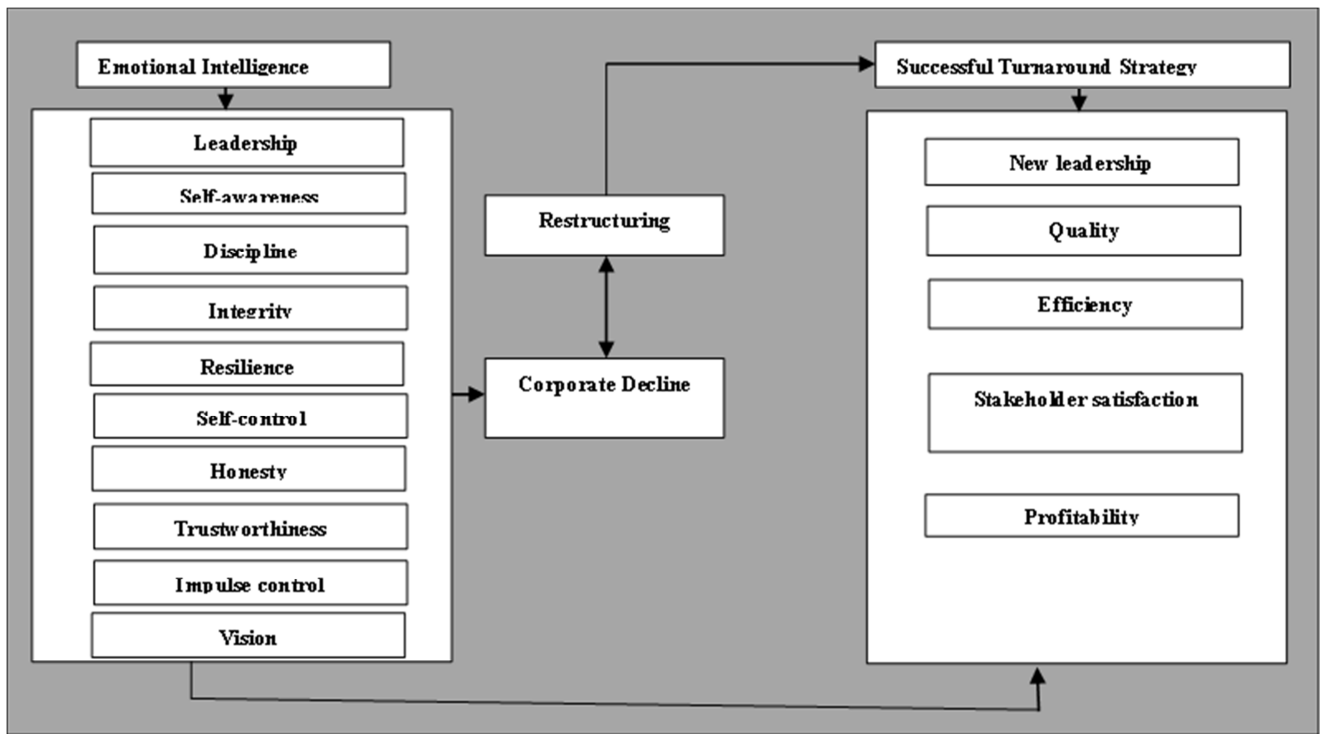


Figure 1. Emotional Intelligence and Successful Turnaround Strategy Model.

Emotional intelligence is composed of many meta-factors and they work in synergistic clusters to achieve desired outcomes. Dealing with a corporate decline situation would require leadership, discipline, self-control, impulse control, and resilience, among other factors in preparing for restructuring. Honesty and trustworthiness are also among the elements required for successful turnaround strategy. According to Bar-On [20] an emotional intelligence model provides an efficient method of examining the structure, accuracy and usefulness of the model which is an approach in theory development common in psychology as well as in the specific field of emotional intelligence. Identifying and logically clustering various emotional and social competencies, skills and factors thought to impact human effectiveness is often borne out of constructive thinking and not in a vacuum [21]. For example, impulse control is the ability to resist or delay an impulse, being composed and

controlling aggression, hostility and irresponsible behavior. Problem-solving is crucial in a successful turnaround strategy and entails the ability and capacity to identify and define problem as well as generating and implementing potentially effective solutions. It includes the ability to perceiving a problem and feeling confident and motivated to deal with it effectively. It is a process of defining and formulating the problem as clearly as possible which would involve generating relevant data, gathering as many solutions as possible, and implementing one of the solutions after weighing the circumstances of the situation and then choosing the best course of action. Avoiding odd behaviors, and managing emotional problems make a tremendous impact in receiving suitable understanding and sympathy from others in a negotiation which facilitates concessions and a win-lose situation that is a major feature of a successful turnaround strategy [22].

## 2. Literature Review

Emotional intelligence relates to the ability to identify emotions and to use them constructively to guide thinking and action. It is also the ability to be successful in task performance [23]. According to Armstrong [24] in a study, it was found that emotional intelligence elements of self-awareness, emotional management, empathy, relationship, management, communication and personal style correspond to competencies such as sensitivity, flexibility, adaptability, resilience, impact, listening, leadership, persuasiveness, energy, decisiveness, and achievement motivation. He asserts that most employers use the most common areas in emotional intelligence as leadership skills, people management skills, and team-work in solving complex organizational problems and to achieve success. Bar-On [25] describes emotional-social intelligence as a cross-section of interrelated emotional and social competencies, skills and facilitators that determine how people understand and express themselves and cope with daily demands, challenges and pressures. The emotional and social competencies, skills and facilitators included in this broad definition are assertiveness and self-actualization. Assertiveness is the ability to express feelings, beliefs and thoughts in a non-destructive manner, without being aggressive or abusive. On the other hand, self-actualization is associated with feelings of self-satisfaction. Others are the factors in interpersonal and intrapersonal competencies which are as components of multiple intelligences (MIs) that contribute to achieving new results. Emotional intelligence as an index of superior work performance is often associated with transformational leadership. Researchers like Bryant [26] believe that the role of transformational and transactional leadership is crucial in creating, sharing and exploiting organizational knowledge. This proposition underscores the value of emotional intelligence and transformational leadership in a corporate decline situation and successful turnaround strategy.

### 2.1. Emotional Intelligence and Successful Leadership

While there is huge evidence in the literature that developing appropriate leadership is important in performance, it is also suggested that weighing up the situation may indicate that a certain type of leadership is needed for successful performance [27-28]. Leadership means influencing people's behavior so that they will work towards the achievement of certain goals. To this extent, early leadership theorists recognize four leadership types to include the dictatorial, the autocratic, the democratic, and the Laissez-faire [29]. However, others like Bass [30] recognizes the efficacy of transformational

leadership in organizational performance, thereby suggesting a link between emotional intelligence and successful leadership. He emphasizes that transformational leaders inspire and excite others to high levels of achievement. In contrast, transactional leaders use rewards and punishments to obtain obedience from subordinates. He explains further that transformational leadership adds to the effects of transactional leadership, but exceptional transactional leadership does not substitute for transformational leadership [31-32]. Research into leaders' qualities is very complex, because for example, it is uncommon for any two lists of traits and characteristics of successful leadership to agree. Therefore, it is obvious that in successful leadership certain characteristics suit certain situations, in which case the type of leadership exerted will probably be a reflection of a certain situation [33]. The constructs of emotional intelligence and leadership are closely interrelated, with regard for the need for changes, and also the ability to be flexible in approach, to understand and to recognize capabilities of people in organizations. Successful leadership or achieving success is highly complex in the current climate of industrial and organizational globalization, and automatically requires a high dose of MIs, that provide the basis for successful turnaround strategy in a complex situation. Literature on successful leadership often emphasizes the need for evaluating each situation on its merit, and developing appropriate skills to deal with each situation. Successful leadership also recognizes that knowledge and techniques which are part of the tangible areas of leadership can be acquired, but the intangible areas like: personality, drive, character and approach, demands honest self-awareness, self-analysis and self-adjustment for high flexibility [34]. Like emotional intelligence, the key to successful leadership is constructive thinking and hard work. Despite the complex nature of leadership, emotional self-awareness, improving the level of sensitivity to situations and to feel the atmosphere and recognizing the power of perseverance can provide the magic *wand* for successful leadership [35-36]. Successful leadership goes beyond strategies for influencing the behavior of others to provide a process for creating clear communications, effective collaboration, and relationships management that achieve fulfilment and satisfaction. Successful leadership, requires developing trust and credibility, better listening and questioning skills, that are some of the competencies which enable a leader to effectively influence the behavior patterns of others. Making good decisions in an atmosphere of increasing pressure, uncertainty, and conflicting opinions are qualities of successful leaderships, attainment of group goals or objectives [37-38].

## 2.2. Factors of Corporate Decline

Corporate decline can be characterized by many complex factors associated with incompetence. These factors are not exhaustive, but they are the commonest ones leading to corporate deterioration. Poor management for example covers a multitude of inefficiencies ranging from sheer incompetence to neglect of core businesses and an insufficient population of good management materials and managers to properly direct the affairs of the enterprise. Poor management also reflects in the inability of the organization to provide positive leadership for the success of the organization. In some cases the *key-man* leadership mentality of a chief executive officer (CEO) and an *inordinate* passion for *empire-building* can lead a corporation into unfortunate decline status. Key-man leadership mentality often leads to a shortage of strong middle management, a failure to provide orderly management resulting from lack of internal management succession planning. Lack of internal management succession planning because of the autocratic posture of the CEO results to *succession battles*, and a failure by the board of directors (BODs) to adequately monitor management's strategic decision-making processes. Poor management logically leads to issues in over-confidence, excessive risk-taking and over-diversification. Excessive risk taking and over-diversification can place a corporation in a position in which it can no longer meet its financial and contractual obligations. For example, during the Nigerian banking crisis many banks went into distress due to the unnecessary adventurism of over-ambitious CEOs. Like the Icarus Paradox in Ancient Greek Mythology, the overzealous, self-professed banking experts thought they had two wings to enable them escape from any danger, and then they flew so high *near the sun*, which invariably melted their wings and they plunged to death. Weak financial control is a death sentence for any corporation. When there is excessive risk-taking and overtrading management to some extent loses proper control over its financial management. This results to a failure to assign profit responsibility to key decision-makers within the corporation and also generates a lack of accountability for the financial consequences of their actions. In a situation of poor financial management excess cost and unnecessary organizational bureaucracy will become high and costs spiral out of control. The most common cause of a high cost structure is almost always low labour productivity. When management fails to invest adequately in new information and communication technologies (ICTs) it may enter into *ago-slow* and may be overtaken by competition. Competition takes advantage of any

weaknesses and is one of the forceful ways of driving opponents into decline. Where a corporation fails to appreciate the strength of new competition in a changing world it has offered itself as a candidate for failure. An enterprise can collapse due to market changes in product demands, and without proper benchmarking and sound marketing management strategy a corporation is likely to lose a huge market share in the industry of operation. Many hitherto buoyant corporations had their fingers burnt because of organizational inertia. Organizational inertia reflects the inability to change and respond quickly to new competitive conditions; and the major factor that causes, inertia is the role of organizational capabilities. According to Hill and Jones [39] capabilities are difficult to change because a certain distribution of power and influence is embedded within the established decision-making and management processes of the organization. They postulate that those who play key roles in a decision-making process clearly have more power. This means that changing the established capacities of an organization leads to changing its existing distribution of power and influence, and those whose power and influence would diminish resist such changes and this leads to power battles. In the process of the whole struggle, the corporation may already be collapsing. Such issues including over prior strategic commitments that limit an organization's ability to compete, but may cause competitive disadvantage and the Icarus mentality, clearly border on lack of emotional intelligence and positive leadership. A positive leadership embedded in emotional intelligence would realize the need for caution, reputation and delayed gratification that would lead to distinction [40-43]. Corporations finding themselves in a decline situation usually try to restructure their operations, divest themselves of their over-diversified activities to enable them to focus more on their core business areas. This sensitivity in managerial leadership also provides a definitive approach for management success by enforcing the rules and the guiding principles that regulate how to inspire followers, teams, subordinates and colleagues in a manner that achieves results. This principle helps the management to say the right thing, do the right thing, and understand instinctively how to handle every unique situation by placing emphasis on entrepreneurial values, rather than traditional or conservative values. This emotionally intelligent approach reduces the usual problems of lack of effective interpersonal communication and slow, inflexible management decision-making that can lead to delays in making new products or services necessary for competitive advantage [44-47].

### 3. Research Methodology

The study adopted the qualitative technique of the survey design. This method is appropriate for the study because it offers the different variables the opportunity to be properly observed and measured. A researcher designed 5-point Likert-type questionnaire adapted from the Schutte et al [48] emotional intelligence scale was used to collect primary data. As a qualitative approach, the study relied only on primary data generated through questionnaire administration. The target population for this study was composed of employees and executives in the Textiles Industry in Nigeria. The purposive sampling method was used to select the sample for the study, while the sample size of 175 was determined by the sample ratio concept. Data were analyzed by descriptive statistical method using figures, tables, frequencies, percentages, and mean for easy understanding [49]. The decision rule for the mean cut-off point for the analysis of frequencies was set at 3.00 points to determine the relationship between emotional intelligence (EI) and successful turnaround strategy (STS).

### 4. Presentation of Result and Discussion

**Table 1.** Profile of Respondents (n=175).

| S/N | Description                | Category          | Total | Percentage |
|-----|----------------------------|-------------------|-------|------------|
| i   | Gender                     | a) Female         | 60    | 34.29      |
|     |                            | b) Male           | 115   | 65.71      |
| ii  | Education                  | a) Diplomas       | 50    | 28.57      |
|     |                            | b) Degrees        | 70    | 40.00      |
|     |                            | c) Others         | 55    | 31.43      |
| iii | Chronological Age          | a) 18–30          | 65    | 37.14      |
|     |                            | b) 31–50          | 80    | 45.74      |
|     |                            | c) 51–75 years    | 30    | 17.14      |
| iv  | Industrial work experience | a) below 10 years | 40    | 22.86      |
|     |                            | b) 11–20 years    | 75    | 42.86      |
|     |                            | c) 21–35 years    | 60    | 34.23      |
| v   | Economic Status            | a) Low            | 25    | 14.29      |
|     |                            | b) Middle         | 85    | 48.57      |
|     |                            | c) Top            | 65    | 37.14      |

Table 1 reflected the profile of the study respondents.

**Table 2.** Leadership Factor of Emotional Intelligence.

| Restatement of Research Question   | Strongly Agree | Agree | Neutral | Disagree | Strongly disagree | Total Resps. | Mean | Decision mean @ 3 points |
|--|----------------|-------|---------|----------|-------------------|--------------|------|--------------------------|
| Leadership factor of emotional intelligence can contribute to successful turnaround strategy |                |       |         |          |                   |              |      |                          |
| Frequencies  | 80             | 60    | 10      | 5        | 20                | 175          |      |                          |
| Points   | 5              | 4     | 3       | 2        | 1                 |              |      | 3.00                     |
| Scores   | 400            | 240   | 30      | 10       | 20                | 700          | 4.0  |                          |

The finding in table 2 showed that 80 respondents strongly agreed and 20 strongly disagreed that leadership factor of emotional intelligence contributes to successful turnaround strategy. The mean score is 4.0 which is higher than the decision mean of 3.0 which showed that leadership factor of EI influences STS.

**Table 3.** Self-Awareness Factor of Emotional Intelligence.

| Restatement of Research Question   | Strongly Agree | Agree | Neutral | Disagree | Strongly disagree | Resps. | Mean | Decision mean @ 3 points |
|--|----------------|-------|---------|----------|-------------------|--------|------|--------------------------|
| Self-awareness factor of emotional intelligence is not important in successful turnaround strategy |                |       |         |          |                   |        |      |                          |
| Frequencies  | 10             | 20    | 5       | 30       | 110               | 175    |      |                          |
| Point  | 5              | 4     | 3       | 2        | 1                 |        |      | 3.00                     |
| Scores   | 50             | 80    | 15      | 60       | 110               | 315    | 1.8  |                          |

The result in table 3 showed that 10 respondents strongly agreed and 110 strongly disagreed that self-awareness is not important in successful turnaround strategy; with a mean value of 1.8, over the decision value of 3.00, it was found that self-awareness is important in EI and in STS.

**Table 4.** Discipline as a Factor of Emotional Intelligence.

| Restatement of Research Question  | Strongly Agree | Agree | Neutral | Disagree | Strongly disagree | Resps. | Mean | Decision mean @ 3 points |
|---|----------------|-------|---------|----------|-------------------|--------|------|--------------------------|
| Discipline as a factor of emotional intelligence is important in successful turnaround strategy |                |       |         |          |                   |        |      |                          |
| Frequencies   | 70             | 65    | 2       | 10       | 28                | 175    |      |                          |
| Points  | 5              | 4     | 3       | 2        | 1                 |        |      | 3.00                     |
| Scores  | 350            | 260   | 6       | 20       | 28                | 664    | 3.8  |                          |

It was noted from table 4 that 70 respondents agreed that discipline is an important emotional intelligence factor in successful turnaround strategy, while 28 strongly disagreed and 2 abstained. The mean score of 3.8 is above the cut-off point of 3.00.

**Table 5.** Integrity Factor of Emotional Intelligence.

| <b>Restatement of Research Question</b>                     | <b>Strongly Agree</b> | <b>Agree</b> | <b>Neutral</b> | <b>Disagree</b> | <b>Strongly disagree</b> | <b>Resps.</b> | <b>Mean</b> | <b>Decision mean @ 3 points</b> |
|---|-----------------------|--------------|----------------|-----------------|--------------------------|---------------|-------------|---------------------------------|
| <b>Integrity can help in successful turnaround strategy</b> |                       |              |                |                 |                          |               |             |                                 |
| Frequencies   | 85                    | 55           | 3              | 12              | 20                       | 175           |             |                                 |
| Points  | 5                     | 4            | 3              | 2               | 1                        |               |             | 3.00                            |
| Scores  | 425                   | 220          | 9              | 24              | 20                       | 698           | 3.9         |                                 |

From table 5 it was observed that 85 respondents strongly agreed that integrity helps in successful turnaround strategy and 20 strongly disagreed while 3 abstained. The mean score of 3.9 is higher than the cut-off point of 3.00 to confirm the result.

**Table 6.** Trustworthiness Factor of Emotional Intelligence.

| <b>Restatement of Research Question</b>   | <b>Strongly Agree</b> | <b>Agree</b> | <b>Neutral</b> | <b>Disagree</b> | <b>Strongly disagree</b> | <b>Resps.</b> | <b>Mean</b> | <b>Decision mean @ 3 points</b> |
|---|-----------------------|--------------|----------------|-----------------|--------------------------|---------------|-------------|---------------------------------|
| <b>Trustworthiness factor of emotional intelligence is not critical in effective management</b> |                       |              |                |                 |                          |               |             |                                 |
| Frequencies   | 20                    | 10           | 1              | 46              | 98                       | 175           |             |                                 |
| Points  | 5                     | 4            | 3              | 2               | 1                        |               |             | 3.00                            |
| Scores  | 100                   | 40           | 3              | 92              | 98                       | 333           | 1.9         |                                 |

The investigation as in table 6 proved that only 20 respondents strongly agreed, 98 strongly disagreed, and 1 abstained to state that trustworthiness does not count in effective management. The mean score of 1.9 which is lower than the cut-off point of 3.00 substantiates the finding.

**Table 7.** Self-Control Factor of Emotional Intelligence.

| <b>Restatement of Research Question</b>                     | <b>Strongly Agree</b> | <b>Agree</b> | <b>Neutral</b> | <b>Disagree</b> | <b>Strongly disagree</b> | <b>Resps.</b> | <b>Mean</b> | <b>Decision mean @ 3 points</b> |
|---|-----------------------|--------------|----------------|-----------------|--------------------------|---------------|-------------|---------------------------------|
| <b>Self-control is important in performance improvement</b> |                       |              |                |                 |                          |               |             |                                 |
| Frequencies   | 75                    | 50           | 4              | 6               | 40                       | 175           |             |                                 |
| Points  | 5                     | 4            | 3              | 2               | 1                        |               |             | 3.00                            |
| Scores  | 375                   | 200          | 12             | 12              | 40                       | 639           | 3.6         |                                 |

It is observed from table 7 that 75 of the whole respondents strongly agreed that self-control is necessary in performance improvement. 40 of the respondents strongly disagreed, and only 4 of them abstained. The mean score is 3.6 that is higher than the cut-off point of 3.00.

**Table 8.** Impulse-Control Factor of Emotional Intelligence.

| <b>Restatement of Research Question</b>                        | <b>Strongly Agree</b> | <b>Agree</b> | <b>Neutral</b> | <b>Disagree</b> | <b>Strongly disagree</b> | <b>Resps.</b> | <b>Mean</b> | <b>Decision mean @ 3 points</b> |
|--|-----------------------|--------------|----------------|-----------------|--------------------------|---------------|-------------|---------------------------------|
| <b>Impulse control is crucial in good corporate governance</b> |                       |              |                |                 |                          |               |             |                                 |
| Frequencies  | 65                    | 70           | 1              | 4               | 35                       | 175           |             |                                 |
| Points   | 5                     | 4            | 3              | 2               | 1                        |               |             | 3.00                            |
| Scores   | 325                   | 280          | 3              | 8               | 35                       | 651           | 3.7         |                                 |

The report as in table 8 showed that 65 of the respondents strongly agreed that impulse control is crucial in good corporate governance, 35 strongly disagreed, and only 1 abstained. The mean score of 3.7 is higher than the cut-off point of 3.00.

**Table 9.** Vision Factor of Emotional Intelligence.

| <b>Restatement of Research Question</b>               | <b>Strongly Agree</b> | <b>Agree</b> | <b>Neutral</b> | <b>Disagree</b> | <b>Strongly disagree</b> | <b>Resps.</b> | <b>Mean</b> | <b>Decision mean @ 3 points</b> |
|---|-----------------------|--------------|----------------|-----------------|--------------------------|---------------|-------------|---------------------------------|
| <b>Vision does not reflect emotional intelligence</b> |                       |              |                |                 |                          |               |             |                                 |
| Frequencies   | 5                     | 10           | 10             | 20              | 130                      | 175           |             |                                 |
| Point   | 5                     | 4            | 3              | 2               | 1                        |               |             | 3.00                            |
| Scores  | 25                    | 40           | 30             | 40              | 130                      | 265           | 1.5         |                                 |

Table 9 showed that only 5 respondents strongly agreed that vision is not a factor of emotional intelligence. 130 of them strongly disagreed and 10 out of the whole abstained. The mean score of 1.5 is far below the cut-off point of 3.00.

**Table 10.** Honesty Factor of Emotional Intelligence.

| Restatement of Research Question                  | Strongly Agree | Agree | Neutral | Disagree | Strongly disagree | Resps. | Mean | Decision mean @ 3 points |
|---|----------------|-------|---------|----------|-------------------|--------|------|--------------------------|
| <b>Honesty is a potent factor in negotiations</b> |                |       |         |          |                   |        |      |                          |
| Frequencies                                       | 73             | 62    | 2       | 8        | 30                | 175    |      |                          |
| Points  | 5              | 4     | 3       | 2        | 1                 |        |      | 3.00                     |
| Scores  | 365            | 248   | 6       | 16       | 30                | 665    | 3.8  |                          |

Table 10 gave evidence that 73 respondents strongly agreed that honesty is a potent factor in negotiations, 30 respondents strongly disagreed, while only 2 of them abstained. The mean score of 3.8 is higher than the cut-off point of 3.00.

**Table 11.** Resilience Factor of Emotional Intelligence.

| Restatement of Research Question  | Strongly Agree | Agree | Neutral | Disagree | Strongly disagree | Resps. | Mean | Decision mean @ 3 points |
|---|----------------|-------|---------|----------|-------------------|--------|------|--------------------------|
| <b>Resilience is an important emotional intelligence factor in successful turnaround strategy</b> |                |       |         |          |                   |        |      |                          |
| Frequencies   | 80             | 70    | 3       | 5        | 17                | 175    |      |                          |
| Points  | 5              | 4     | 3       | 2        | 1                 |        |      | 3.00                     |
| Scores  | 400            | 280   | 9       | 10       | 17                | 716    | 4.1  |                          |

From table 11, it can be observed that 80 of the respondents strongly agreed that resilience is an important emotional intelligence factor in successful turnaround strategy. 17 strongly disagreed, and 3 abstained. The mean score of 4.1 is higher than the cut-off point of 3.00.

**Table 12.** Analysis of Frequencies, and Mean Scores.

| Contribution of emotional intelligenceto successful turnaround strategy | Strongly Agree | Agree | Neutral | Disagree | Strongly disagree | Row score | No of Resps | Mean | Decision mean @ 3 points | Grand mean |
|---|----------------|-------|---------|----------|-------------------|-----------|-------------|------|--------------------------|------------|
| Leadership  | 400            | 240   | 30      | 10       | 20                | 700       | 175         | 4.0  |                          |            |
| Self-awareness  | 50             | 80    | 15      | 60       | 110               | 315       | 175         | 1.8  |                          |            |
| Discipline  | 350            | 260   | 6       | 20       | 28                | 664       | 175         | 3.8  |                          |            |
| Integrity   | 425            | 220   | 9       | 24       | 20                | 698       | 175         | 3.9  |                          |            |
| Trustworthiness   | 100            | 40    | 3       | 92       | 98                | 333       | 175         | 1.9  | 3                        | 3.01       |
| Self-Control  | 375            | 200   | 12      | 12       | 40                | 639       | 175         | 3.6  |                          |            |
| Impulse control   | 325            | 280   | 3       | 8        | 35                | 651       | 175         | 3.7  |                          |            |
| Vision  | 25             | 40    | 30      | 40       | 130               | 265       | 175         | 1.5  |                          |            |
| Honesty   | 365            | 248   | 6       | 16       | 30                | 665       | 175         | 3.8  |                          |            |
| Resilience  | 400            | 280   | 9       | 10       | 17                | 716       | 175         | 4.1  |                          |            |

As in table 12, with a grand mean score of 3.01 over the decision score of 3.0 it was found that emotional intelligence influences successful turnaround strategy. For example, leadership is a strategic management function commonly associated with emotional intelligence for performance effectiveness. Leadership provides direction for top management team diversity, quality decision-making and organizational success [50]. Resilience is also an important attribute for a corporation in a decline situation to recover quickly and return to normal operations. It is an emotional intelligence factor that involves overcoming the temptation for irresponsible behaviours necessary for successful negotiations, restructuring and influencing strategic management decisions. Effective executives require leadership capacity, flexibility and resilience in driving corporations through the paths of success [51-53].

#### 4.1. Scope for Further Study

Because of the increasing numbers of corporations in decline situations in many developing countries like Nigeria, further study should examine the relationship between CEOs management styles and corporate failures.

#### 4.2. Recommendations

1. Corporate bodies should avoid the urge of retaining overzealous CEOs to avoid getting their fingers easily burnt due to his or her hidden personal ambitions.
2. As in the Icarus Paradox over-confidence is dangerous and should be avoided based on the further lessons from the global financial crisis in the 2000s and beyond.

The principle of *win-lose* is necessary in negotiations regarding corporate restructuring and successful turnaround



strategy.

The issue of integrity is central in managing corporate decline and successful turnaround strategy because coming to equity requires clean hands.

Building trust helps in cultivating new alliances and corporate relationships necessary for successful turnaround management.

## 5. Conclusion

Emotional intelligence as an index of multiple competencies where properly adapted enhances performance outcomes in various areas of corporate activity. The elements of leadership, resilience, integrity are among the ingredients necessary in building trust and corporate relationships necessary for streamlining and restructuring a corporation in a decline status towards the paths of profitability and sustainability. Corporations often fall into decline due to poor management characterized by factors like indiscipline, lack of self-control, trustworthiness among others that can be mitigated by emotional intelligence. Turnaround situation requires management efficiency in the use of resources and building a network of robust relationships. Turnaround takes self-assurance, and a minimalist approach through building a great team to achieve objectives. The survey research design was adopted for the study and the result showed positive association between emotional intelligence and successful turnaround strategy. This is the goal of the study.

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