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## Your EQ Skills: Got What it Takes?

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So you thought the CPA exam was your last test? Read on.

# Your EQ Skills: Got What It Takes?

BY MICHAEL D. AKERS AND GROVER L. PORTER

**Q**uestion: Is success in life and career determined primarily by rational intelligence (the IQ or intelligence quotient) or emotional intelligence (the EQ or emotional quotient)? In other words, what's more important: intelligence or intuition? Historically the professional accounting litera-

## Emotional Intelligence Test

### Yes/No

- 1. Do you understand both your strengths and your weaknesses?
- 2. Can you be depended on to take care of every detail?
- 3. Are you comfortable with change and open to novel ideas?
- 4. Are you motivated by the satisfaction of meeting your own standards of excellence?
- 5. Do you stay optimistic when things go wrong?
- 6. Can you see things from another person's point of view and sense what matters most to him or her?
- 7. Do you let clients' needs determine how you serve them?
- 8. Do you enjoy helping colleagues develop their skills?
- 9. Can you read office politics accurately?
- 10. Are you able to find "win-win" solutions in negotiations and conflicts?
- 11. Are you the kind of person other people want on a team?
- 12. Are you usually persuasive?

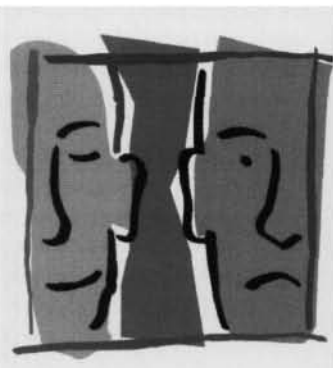
If you answered "yes" to six or more of these questions and if people who know you well would agree with you, then you have a high degree of emotional intelligence.

Source: *Working With Emotional Intelligence*, Bantam Books, New York, 1998.

ture has placed little emphasis on behavioral issues such as EQ, although human behavior underlies most of what is written and taught about professional accounting. Now managers place increased value on behavioral skills that help people in the workplace. Look at this statistic: The productivity of one-third of American workers is measured by how they add value to information. Doesn't that describe CPAs exactly? This article will examine the ways in which EQ is crucial to CPAs' success and how they can cultivate EQ if they haven't got a lot of it.

The AICPA and the Institute of Management Accountants recognize that emotional intelligence skills are critical for the success of the accounting profession. In *CPA Vision 2011 and Beyond: Focus on the Horizon* ([www.cpavision.org](http://www.cpavision.org)), the AICPA identifies emotional skills as extremely important, and an IMA research study says "interpersonal skills" are most important for success as professional accountants. In another study researchers examined the knowledge and abilities that students need to succeed in different professions and concluded they require a portfolio of skills that includes EQ. Is there a CPA or accounting student who can afford to ignore his or her EQ?

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## Secrets Revealed

*Investor's Business Daily* spent years analyzing leaders and successful people to isolate these "10 secrets to success."

1. How you think is everything: Always be positive. Think success, not failure. Beware of a negative environment.
2. Know your true dreams and goals: Write down your specific goals and develop a plan to reach them.
3. Act. Goals are nothing without action. Don't be afraid to get started now. Just do it.
4. Never stop learning: Go back to school or read books. Get training and acquire skills.
5. Be persistent and work hard: Success is a marathon not a sprint. Never give up.
6. Learn to analyze details: Get all the facts, all the input. Learn from your mistakes.
7. Focus your time and money: Don't let other people or things distract you.
8. Don't be afraid to innovate, be different: Following the herd is a sure way to mediocrity.
9. Deal and communicate with people effectively. No one is an island. Learn to understand and motivate others.
10. Be honest and dependable—take responsibility: Otherwise, knowing secrets 1 to 9 won't matter.

## WHAT IS EQ?

"Basically, your EQ is the level of your ability to understand other people, what motivates them and how to work cooperatively with them," says Howard Gardner, the influential Harvard theorist. Five major categories of emotional intelligence skills are of value to professional accountants.

**Self-awareness.** The ability to recognize an emotion as it "happens" is the key to your EQ. Developing self-awareness requires tuning in to your true feelings. If you evaluate your emotions, you can manage them. The major elements of self-awareness are

**Emotional awareness.** Your ability to recognize your own emotions and their effects.

**Self-confidence.** Sureness about your self-worth and capabilities.

**Self-regulation.** You often have little control over when you experience emotions. You can, however, have some say in how long an emotion will last by using a number of techniques to alleviate negative emotions such as anger, anxiety or depression. A few of these techniques include recasting a situation in a more positive light, taking a long walk and meditation or prayer. Self-regulation involves

**Self-control.** Managing disruptive impulses.

**Trustworthiness.** Maintaining standards of honesty and integrity.

**Conscientiousness.** Taking responsibility for your own performance.

**Adaptability.** Handling change with flexibility.

**Innovation.** Being open to new ideas.

**Motivation.** To motivate yourself for any achievement requires clear goals and a positive attitude. Although you may have a predisposition to either a positive or a negative attitude, you can with effort and practice learn to think more positively. If you catch negative thoughts as they occur, you can reframe them in more positive terms—which will help you achieve your goals. Motivation is made up of

**Achievement drive.** Your constant striving to improve or to meet a standard of excellence.

## EXECUTIVE SUMMARY

■ **ACCOUNTING LITERATURE HISTORICALLY** placed little emphasis on behavioral issues. However, recently, many organizations and researchers have recognized that emotional intelligence skills are critical to success.

■ **IN THE TUG-OF-WAR BETWEEN IQ AND EQ**, the readily recognizable IQ (intelligent quotient) is being challenged by the lesser known EQ (emotional quotient) as the better basis for success. What do you think is more important to success: (a) brain power or (b) intuition? Which does a successful person need more of: (a) book learning or (b) people skills? Studies have shown the b's have it.

■ **WHAT'S YOUR EQ?** Basically, it is the level of your ability to understand other people, what motivates them and how to work cooperatively with them. The five major categories of

EQ are self-awareness, self-regulation, motivation, empathy and social skills.

■ **PSYCHOLOGISTS GENERALLY AGREE** that, among the ingredients for success, IQ counts for only about 10% and the rest depends on everything else—including EQ.

■ **A HARVARD STUDY OF ITS GRADUATES REVEALED** there is little or no correlation between IQ indicators (such as entrance exam scores) and subsequent career success.

■ **AS THE GLOBAL ECONOMY EXPANDS** and the world shrinks, people with the ability to understand other people, and then interact with them so that each is able to achieve their goals, will be the success stories of the future. People will realize that a high EQ is the key to a thriving career.

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**Commitment.** Aligning with the goals of the group or organization.

**Initiative.** Ready yourself to act on opportunities.

**Optimism.** Pursuing goals persistently despite obstacles and setbacks.

**Empathy.** The ability to recognize how people feel is important to success in your life and career. The more skillful you are at discerning the feelings behind others' signals the better you can control the signals you send them. An empathetic person excels at

**Service orientation.** Anticipating, recognizing and meeting clients' needs.

**Developing others.** Sensing what others need to progress and bolstering their abilities.

**Leveraging diversity.** Cultivating opportunities through diverse people.

**Political awareness.** Reading a group's emotional currents and power relationships.

**Understanding others.** Discerning the feelings behind the needs and wants of others.

**Social skills.** The development of good interpersonal skills is tantamount to success in your life and career. In today's cyberculture all professional accountants can have immediate access to technical knowledge via computers. Thus, "people skills" are even more important now because you must possess a high EQ to better understand, empathize and negotiate with others in a global economy. Among the most useful skills are



**Influence.** Wielding effective persuasion tactics.

**Communication.** Sending clear messages.

**Leadership.** Inspiring and guiding groups and people.

**Change catalyst.** Initiating or managing change.

**Conflict management.** Understanding, negotiating and resolving disagreements.

**Building bonds.** Nurturing instrumental relationships.

**Collaboration and cooperation.** Working with others toward shared goals.

**Team capabilities.** Creating group synergy in pursuing collective goals.

### THE EQ/IQ SKIRMISH

What factors are at play when people of high IQ fail and those of modest IQ succeed? How well you do in your life and career is determined by both. IQ alone is not enough; EQ also matters. In fact, psychologists generally agree that among the ingredients for success, IQ counts for roughly 10% (at best 25%); the rest depends on everything else—including EQ. A study of Harvard graduates in business, law, medicine and teaching showed a negative or zero correlation between an IQ indicator (entrance exam scores) and

## Measuring Emotional Intelligence

The EQ questionnaire at the beginning of this article will give you a basic idea of your emotional intelligence, but there are more extensive tests available that you can use to assess it. This list provides a description of some of the assessment tools available and contact information.

**Emotional Competence Inventory 360 (ECI 360).** The ECI 360 provides a way to determine the strengths and weaknesses of people so they can focus on honing the competencies that will enable them to meet career objectives. This should be used as an assessment tool only—not for hiring or compensation decisions.

Contact: Hay Group, [www.haygroup.com](http://www.haygroup.com) or 877-267-8375.

**EQ Map Questionnaire: Mapping Your Emotional Intelligence.** The EQ map enables someone to identify his or her individual and interpersonal patterns for success by plotting performance strengths and vulnerabilities, using 21 scales.

Contact: Q-Metrics, [www.qmetricaeq.com](http://www.qmetricaeq.com) or 415-252-7557.

**BarOn Emotional Quotient Inventory (EQ-i).** The evaluator is a result of Dr. Reuven Bar-On's testing of more than 48,000 individuals during the past 19 years. The BarOn EQ-i consists of 133 items and takes approximately 30 minutes to complete. It provides an overall EQ score as well as scores based on 5 scales (intrapersonal, interpersonal, adaptability, stress and general mood) and 15 subscales.

Contact: BarON Eq-i section of the Multi-Health Systems site, <http://eqi.mhs.com> or 1-800-456-3003.

**Multifactor Emotional Intelligence Scale (MEIS).** This tool measures the four aspects (identifying emotions, using emotions, understanding emotions and managing emotions) of the emotional-intelligence-ability model developed by Mayer and Salovey.

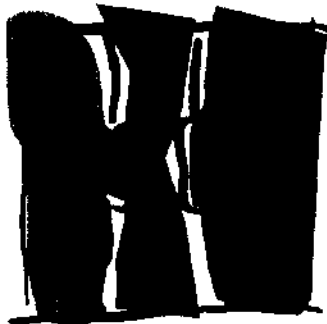
Contact: Charles J. Wolfe of Charles J. Wolfe Associates, [cjwolfe@wolfe.com](mailto:cjwolfe@wolfe.com) or 860-658-2737.

**Work Profile Questionnaire-EI Version (WPQei).** The 84-item WPQei measures the personal qualities and competencies that employees need to manage emotion in the workplace. It focuses on the seven components (innovation, self-awareness, intuition, emotions, motivation, empathy and social skills) of an emotional intelligence model.

Contact: CIM Publishers, [www.cimtp.com/wpqei\\_etest.htm](http://www.cimtp.com/wpqei_etest.htm) or 0-114-235-3448 (United Kingdom).

subsequent career success. Three examples illustrate the importance of emotional competencies.

**Meeting with potential clients.** At a planned three-hour meeting to discuss an audit engagement, a senior partner interrupted the prospective client after she had spoken for only one hour. The CPA's EQ told him something was not right; he asked if her company had a problem that it had not yet communicated, one that his accounting firm could help the company solve. These observations amazed the CEO because she had just received news of two major financial hits the company would take in the next year. Although the audit had been the original purpose of the meeting, it was no longer the most important issue. Because of the partner's intuition, listening skills and ability to ask questions, his firm was selected to perform the annual audit as well as several consulting engagements. (From *Executive EQ: Emotional Intelligence in Leadership and Organizations* by Cooper and Sawaf). Since the Sarbanes-Oxley Act has placed limitations on the types of consulting services CPAs can perform, the importance of this example is not that both the audit and consulting services were obtained but rather that the partner identified the client's problems through effective EQ. The expectations created by the Sarbanes-Oxley Act as well as recent statements on auditing standards (for example, SAS no. 99, *Consideration of Fraud in a Financial Statement Audit*) will necessitate that auditors appropriately use EQ skills in their relationships with publicly traded clients and in the conduct of the audit.



**Partners' contribution to profitability.**

A study of partners at a large public accounting firm showed that those with significant strengths in self-management contributed 78% more incremental profit than partners who did not have these skills. Additionally, partners with strong social skills added 110% more profit than those with only self-management competencies. This resulted in a 390% incremental profit annually. Interestingly,

those partners with significant analytical reasoning skills contributed only 50% more incremental profit. (From *Primal Leadership: Realizing the Power of Emotional Intelligence* by Goleman, Boyatzis and McKee.

**EQ TRAINING**

Organizations can assist employees in developing emotional competencies by providing appropriate training. The Consortium for Research on Emotional Intelligence in Organizations, which consists of researchers and practitioners from business schools, the federal government, consulting firms and corporations, has developed guidelines for best practices in teaching emotional intelligence competencies (see "Checklist for Emotional Competencies Training," page 69). For additional reading on emotional intelligence, see the articles and books shown in the sidebar, at right.

For most people EQ—even if they didn't recognize it as such—has always been more important than IQ in attaining success in their lives and careers. As individuals our success and the success of the profession today depend on our ability to read other people's signals and react appropriately to them. Therefore, each one of us must develop the mature emotional intelligence skills required to better understand, empathize and negotiate with other people—particularly as the economy has become more global. Otherwise, success will elude us in our lives and careers. ■

**Additional Reading**

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[www.elconsortium.org](http://www.elconsortium.org), the Consortium for Research on Emotional Intelligence in Organizations.

## Checklist for Emotional Competencies Training

Use this guidance to plan EQ education for employees.

□ **Assess the job.** Focus your company's training on the competencies needed for excellence in a given job or role.

*Caveat.* Training for irrelevant competencies is pointless.

*Best practice.* Design training based on a systematic needs assessment.

□ **Assess the individual employee.** Evaluate his or her strengths and limitations to identify what needs improving.

*Caveat.* There's no point in training employees in competencies they already have or do not need.

*Best practice.* Tailor training to the individual's needs.

□ **Deliver assessments with care.** Feedback on a person's strengths and weaknesses carries an emotional charge.

*Caveat.* Inept feedback can be upsetting; skillful feedback motivates.

*Best practice.* Use your EQ when delivering evaluations of a person's EQ.

□ **Gauge readiness.** Assess employee's ability to accept EQ training.

*Caveat.* When people lack readiness, training is more likely to be wasted.

*Best practice.* Assess for readiness, and if someone is not yet ready, make cultivating it an initial focus.

□ **Motivate.** People learn to the degree they are motivated—for example, by realizing that acquiring a competency is important to doing their job well and by making that acquisition a personal goal for change.

*Caveat.* If people are unmotivated, training won't work.

*Best practice.* Make clear how training will pay off on the job or for the individual's career or be otherwise rewarding.

□ **Make change self-directed.** When employees have a say in directing their learning program by tailoring it to their needs, circumstances and motivations, their training is more effective.

*Caveat.* One-size-fits-all training programs fit no one specifically.

*Best practice.* Have people choose their own goals for development and help them design their own plan for pursuing them.

□ **Focus on clear, manageable goals.** People need clarity on what the desired competency is and the steps needed to get it.

*Caveat.* Poorly focused or unrealistic programs for change lead to fuzzy results or failure.

*Best practice.* Spell out the specifics of the competency, and offer a workable plan to obtain it.

□ **Prevent relapse.** Habits change slowly, and relapses and slips need not signal defeat.

*Caveat.* People can become discouraged by the slowness of change and the inertia of old habits.

*Best practice.* Help people use lapses and slip-ups as lessons to prepare themselves better for the next time.

□ **Give performance feedback.** Ongoing feedback encourages and helps direct change.

*Caveat.* Fuzzy feedback can send the training off track.

*Best practice.* Design into the change plan mechanisms for feedback from supervisors, peers, friends—anyone who can coach, mentor or give appropriate progress reviews.

□ **Encourage practice.** Lasting change requires sustained practice both on and off the job.

*Caveat.* A single seminar or workshop is a beginning—but not sufficient in and of itself.

*Best practice.* Suggest that people use naturally arising opportunities for practice at work and at home and that they try the new behaviors repeatedly and consistently over a period of months.

□ **Arrange support.** Like-minded people who are trying to make simi-

lar changes can offer crucial ongoing support.

*Caveat.* Going it alone makes change tougher.

*Best practice.* Encourage people to build a network of support and encouragement. Even a single buddy or coach can help.

□ **Provide models.** High-status, highly effective people who embody a competency can be models who inspire change.

*Caveat.* A do-what-I-say-not-what-I-do attitude in superiors undermines change.

*Best practice.* Encourage a supervisor to value and exhibit the competency; make sure trainers do, too.

□ **Encourage.** Change will be greater if the organization's environment supports it, values the competency and offers a safe atmosphere for experimentation.

*Caveat.* When there is not real support, particularly from bosses, the change effort will seem hollow—or too risky.

*Best practice.* Encourage change that fits the values of the organization. Show that the competency matters for job placement, promotion or performance review.

□ **Reinforce change.** People need recognition—to feel their change efforts matter.

*Caveat.* A lack of reinforcement is discouraging.

*Best practice.* Be sure the organization shows it values the change in a consequential way—praise, a raise or expanded responsibility.

□ **Evaluate.** Establish ways to measure development to see whether it has lasting effects.

*Caveat.* If a development program goes unevaluated, then mistakes or pointless programs go unchanged.

*Best practice.* Establish measures of the competency or skill as shown on the job, ideally before and after training, and also several months (and, if possible, a year or two) later.

Source: Adapted from *Working with Emotional Intelligence*, Bantam Books, New York, 1998.