

**FEEL
YOUR
WAY**

EQ is the new IQ.

After a tough two years, employees are expecting more workplace empathy than ever before, which means mastering emotional intelligence is non-negotiable for modern business leaders, writes Susan Horsburgh.

W

When John Ryan became CEO of 4impact Group, he considered his emotional intelligence to be pretty solid but he didn't always keep his cool in work meetings, especially when he felt challenged. "I could, at times, get caught in an emotional response," says Ryan, who took the helm of the Brisbane-based technology services company six years ago. "I would get defensive and argue why my position was correct, as opposed to asking, 'How could I be wrong here?', drawing in those other perspectives and not putting up a barrier to protect my own rightness."

Three years of executive coaching, however, has made all the difference. Now more intuitive and empathetic, Ryan has learnt to admit he doesn't have all the answers. He has seen the power of EQ – and it starts with self-awareness. "From your own intelligence you can have an awareness of yourself," he explains, "but then you tell yourself stories about why that's okay: 'That's just who I am' or 'I'm an emotional person.' They're just excuses. You have to be clear-eyed about what you see and acknowledge what that means. Because you can change from there."

According to Ryan, the flow-on effects of his transformation have included an energised company culture, high customer loyalty and low staff turnover – all compelling incentives for business leaders to boost their emotional intelligence. The concept isn't new – psychologist and journalist Daniel Goleman's bestselling book, *Emotional Intelligence*, became a phenomenon in 1995 with what *Harvard Business Review* called its "revolutionary, paradigm-shattering idea" – but it has only gained traction since then.

Speaking to Oprah Winfrey in 2018, Goleman described emotional intelligence as "learned and learnable" and explained that success hinges not on IQ but on understanding what's important to others. "Your academic abilities, your cognitive brilliance is not what's going to matter the

most," he said. "It gets you in the game but once you're in the game, it's how you get along with people, how you handle yourself."

Those leadership skills have become even more critical in recent times, as employees grapple with global uncertainty and demand more empathy in the workplace. "The pandemic has caused a lot of exhaustion and a focus on what's important in life and the meaning of work," says psychologist Ben Palmer, CEO of emotional intelligence consultancy Genos International. "Is your boss inspiring? Do you feel like you're doing meaningful, purposeful work?" The so-called "great resignation", he adds, has made employers jittery and the need to improve company cultures more urgent.

"COVID-19 has made people much more aware that mental health and the

way staff feel are fundamental to their success," says Palmer. "Organisations are saying that EQ is the IQ of the 2020s."

Palmer devoured Goleman's book in one sitting in the '90s and was so fascinated he did his PhD on the concept, creating the first Australian model and measure of emotional intelligence in the workplace. After he founded Genos with Swinburne University in 2002, ANZ Bank was his first client. With McKinsey & Company, Genos set about transforming the bank's culture to become "more human" and customer-centric – and the ROI was irrefutable: ANZ went on to win retail bank of the year for eight years in a row and the share price doubled in just 18 months. A few years later, Genos worked with French pharmaceutical company Sanofi and an 18 per cent

improvement in emotional intelligence across the sales force led to a 13 per cent rise in revenue – a \$6 return for every dollar invested in the training program.

High-EQ business leaders make for better bottom lines, says Palmer, because the way we feel affects the way we think and behave – and research shows that employees who feel "valued, cared for, consulted, informed and understood" significantly outperform those who don't. "When you improve emotional intelligence, you get better decisions and behaviour," says Palmer. "We definitely see improvements in productivity and efficiency, whether that be revenue or better customer service. You also see higher levels of staff satisfaction, which results in less turnover and a better employment brand."

B

But what actually is emotional intelligence? And what does it look like at work? Goleman defines it as "the ability to manage ourselves and our relationships effectively", which rests on self-awareness, self-management, social awareness and relationship management. In practice, that means not losing it when your team misses an important deadline.

"Emotionally intelligent leaders will focus the group on solving the problem then lead the team through what went

“

When you improve emotional intelligence, you get better decisions and behaviour. You also see higher levels of staff satisfaction, which results in less turnover and a better employment brand.

”

wrong and how to avoid it next time,” says RMIT Online CEO Helen Souness. “Leaders with high EQ are also good listeners and read other people’s emotions well. They give their teams space to express themselves without fear of criticism or humiliation.”

Over the past two years, leaders have also been called on to drop their guards. Belinda Lewis, the human resources director of IBM Australia and New Zealand, has seen the company’s high-EQ leaders become more transparent about their own struggles and willing to encourage conversations about mental health. “By showing their human side, our leaders have built more trusting and supportive teams – it has been really heartening to see our business band together.”

Communicating online, leaders have had to pick up on non-verbal cues and modify their approaches to accommodate the changing moods. “What works one week may not work the next,” says Lewis.

A knack for reading the room is what sets model leaders such as Michelle Obama and Jacinda Ardern apart. “You might think of them as social chameleons but that’s not quite true,” says Palmer. “You still see who they are – there’s an authenticity to them – but there’s that sensitiveness as well. They really are good at adjusting their behaviour to fit with the time, the place, the purpose, the people.”

It’s probably no coincidence that both are female: research consistently shows that women outscore men in emotional intelligence – which only strengthens the

business case for more balance in the boardroom. “Women are more naturally perceptive and understanding of the way others feel,” says Palmer. “But that doesn’t mean there aren’t women out there without emotional intelligence. There are.”

Neil McDonald, CEO of the Queensland Education Leadership Institute, recalls giving emotional intelligence training to a principal who was strong and decisive but made her school community feel ignored. As McDonald points out, schools are “complex, emotional places” and, when you’re looking after children, high EQ is crucial. “A lot of people thought they were wasting their time having a conversation with her,” says McDonald, “because she’d already made her decision.”

Although reluctant at first to hear 360-degree feedback – “She’d say, ‘That’s just me and people understand’” – the principal learnt, over a year-long process, to seek out opposing views and stretch her thinking, welcoming rather than bypassing debate. Working with the school’s 20-strong leadership team, McDonald also taught the deputies and heads of department to value other personality types. “It’s not about changing everybody so they all think the same,” he says. “When you think about leaders from the creative arts to maths and science, you have inherently different ways of thinking. What we try to do is open their mindset to the value of the team.”

Of course, there can’t always be consensus. “People still look to the leader to make a decision,” says McDonald, “but

HOW TO BOOST YOUR EQ

Exercise your emotions

“I love watching talent shows on YouTube – there’s something about people having a go that really moves me,” says psychologist Ben Palmer. “What is it for you? Looking through old photos with Mum and Dad? Listening to a particular piece of music? Intentionally engage with it.”

Learn a new language

“Nothing puts you in the shoes of others better than understanding the conceptual framework with which people think – and that is language,” says Palmer.

>

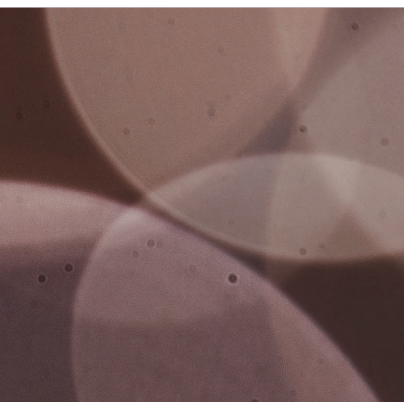


Seek out opposing political opinions

Read widely and don't become blinkered in your beliefs. "I'm very progressive in my political views and I like watching [Sky News conservative commentator] Peta Credlin for perspective," says Palmer. "It's curiosity and perspective that help us appreciate others."

Do 10 minutes of mindfulness meditation every day

"Mindfulness helps you be more present with your feelings," says Palmer. "Being more emotionally intelligent is catching yourself in the moment: 'Oh, I'm being judgemental here. That's not going to work.'"



it's much more powerful if they can see the leader has valued other people's perspectives and made a decision based on that." Authority need not be sacrificed on the altar of emotional intelligence. "Having EQ doesn't mean we have to be best friends with all our employees," says IBM's Belinda Lewis. "It's about leading with compassion and empathy while balancing the requirements of keeping a business running."

C

Contrary to popular belief, being warm and friendly can help leaders manage staff performance better – because feedback is "more meaningful" to employees who feel valued by their boss. "Emotionally intelligent leaders aren't always positive," says Palmer. "They get angry and express that but they do it in a purposeful way to generate a particular outcome." Similarly, "effective vulnerability" isn't just wearing your heart on your sleeve; it's about picking the correct time and context to express your feelings – a core capability of emotional intelligence.

"When leaders are vulnerable effectively," says Palmer, "they create psychological safety where people feel comfortable to say, 'Hey boss, I'm not doing well today.'" In organisations where leaders never let their guards down, he says, "you get a culture of artificial harmony and fear of confrontation", where people feel uncomfortable speaking up.

Ironically, it's been argued that leaders lose EQ as they climb the corporate ladder, just when they need it most. Top US emotional intelligence consultancy TalentSmart analysed the EQ profiles of the million-plus people on its database and found that while middle managers have the highest EQ scores, CEOs have the lowest. With promotions can come a loss of perspective, says Palmer. "The higher up you go, the more you back your own judgement and sometimes that means you're losing your curiosity, not showing as much interest in others and perhaps not picking up on the way they feel."

Executive coach Elana Robertson likes to ask her CEO clients what they do, think and say to themselves on their best days – and their worst. "Then the brave – and vulnerable and empathetic – question is: 'What could your team experience with you on your best and worst days? What would that look and feel like for them?'"

Emotional intelligence, like IQ, is normally distributed across the population but most people overestimate their EQ. Research shows that 95 per cent of people think they're self-aware but only 10 to 15 per cent actually are. That's why feedback from supervisors, staff and peers is the most reliable measure. For some jobs, the need for technical brilliance might trump the demand for "soft skills" but most leadership roles require at least as much EQ as IQ. At IBM, says Lewis, "We teach our graduates that their great ideas are only as great as their ability to communicate them to others." And the company's talent acquisition team takes the long view, hiring with leadership potential in mind. "Those candidates tend to display high levels of EQ during the interview process," she says, "through active listening, a keen interest in company culture, thoughtful and honest responses, plus a growth mindset."

These days, emotional intelligence is increasingly part of the business-school curriculum; in fact, last year Melbourne's Small Giants Academy sold out its new Mastery of Business & Empathy program – what it calls a reinvention of the traditional MBA. Keen to ensure graduates have a grounding in the subject, RMIT Online introduced a specific credential in emotional intelligence in 2018 and some 11,000 students have taken the course. In a sense, developing EQ should just be part of growing up, because all our relationships stand to benefit. "We keep thinking we have to 'add' emotional intelligence but we're born with it and we should be learning to evolve it," says Robertson.

Courses can teach it but RMIT Online's Helen Souness stresses that there's no finish line in the quest for better emotional intelligence. Executives who aspire to high EQs have to open up to feedback and commit to an endless, sometimes confronting, process of self-improvement. "Better people," she says, "are better leaders." ●