Welcome to The EQ Edge
Presented by Steven J. Stein, Ph.D.

What Does it Mean to be smart in today's organizations?

Let's start with the top
What do we look for in our leaders?

Leadership

Good Intelligence

High IQ

- Measure of intellectual, analytical, logical, and rational abilities.
- How we learn, reason, and solve problems by application of prior knowledge.
- Cognitive abilities

Evolution of Intelligences
**Logic vs. Emotion**

- Logic
- Emotion

---

**Balancing Emotion and Logic**

James T. Kirk

“A man with very human emotions”

“He didn’t know everything about everything. Scotty knew more than him about engineering, Spock about science, and Bones about medicine.”

~ Randy Pausch

---

**Michael Dell**

“I’ve always tried to surround myself with the best talent I could find. When you’re the leader of a company you can’t do everything yourself…The more talented people you have to help you, the better off you and the company will be.”

~ Michael Dell
Peter Drucker

“Success in the knowledge economy comes to those who know themselves -- their strengths, their values, and how to best perform.”

~ Peter Drucker

Ginni Rometty

“She leads from both her head and her heart.”

~ Manoj Saxena
Fortune Magazine
October 2012

Predictor of Success

“It’s not your IQ. It's not even a number. But emotional intelligence may be the best predictor of success in life, redefining what it means to be smart.”
The Expression of Emotions

In man and animals

Macaca Nigra

Emotions = Signals

Emotions and Intelligence

“I view emotions as organizing processes that enable individuals to think and behave adaptively.”

Peter Salovey, Ph.D.
Researcher, Emotional & Social Intelligence
Yale University
Department of Psychology
Emotional Intelligence Defined

- The ability to identify emotional information in oneself and in others.
- The ability to manage emotional information in oneself and in others.
- The ability to focus emotional energy on required behaviors to get things done.

Emotional Quotient 2.0 (EQ-i 2.0)
Emotional & Social Intelligence

5 Factors of Emotional & Social Intelligence

- Perceiving: The ability to accurately recognize, attend to, and understand emotions.
- Achieving: The ability to generate the necessary emotions to self-motivate and meet personal objectives.
- Managing: The ability to effectively manage, control, and express emotions.
- Persuading: The ability to recognize, manage, and evoke emotion within oneself and others to promote change.

Emotional Intelligence drives business results.

In the fields I have studied, emotional intelligence is much more powerful than IQ in determining who emerges as a leader. IQ is a threshold competence. You need it, but it doesn’t make you a star. Emotional Intelligence can.

Warren Bennis
Renowned Leadership Pioneer, Author and Researcher

Leadership: Dealing with Crisis

You’re a leader of a large company

Your company just destroyed a natural environment

What’s the emotion of the area locals?
Anger

What do you do?

Tony Hayward, CEO of BP

“We’re sorry for the massive disruption this has caused people. There’s no one who wants this thing to be over more than I do, but I’d like my life back!”
Leadership: Dealing with Crisis

You're a leader of a large company.

Your products were implicated in the deaths of several people.

What emotion are your customers experiencing?

FEAR

What do you do?
Jim Burke, CEO of J&J, 1982

First response:
“How do we protect the people?”

Second response:
“How do we save this product?”

Jim Burke, CEO of J&J, 1982

- Spoke on television
- Condemned the poisonings
- Talked emotionally with tears in his eyes
- Recalled all Tylenol
- Added safety barrier to all bottles

Perceiving Emotions

“The ability to accurately recognize, attend to, and understand emotion.”

- Understand your own emotions
- Stay attuned to the emotions of others
- Demonstrate empathy
- Differentiate between emotions
Leadership Emergence

How important is emotional perception?

- Stephan Cote & Colleagues
  Rotman School of Business, University of Toronto
- Teams of MBA students working together for 10 weeks
- Tested IQ, personality, EQ, (pre) and peer ratings of leadership

*The Leadership Quarterly 21 (2010) 496–508

Leadership Emergence

Findings:

“We identified the ability to understand emotions as the most consistent predictor of leadership emergence among the facets of emotional intelligence.”

6 Basic Emotional Expressions

- Happiness
- Anger
- Surprise
- Disgust
- Sadness
- Fear
Four-Step Process

1. An emotion arises
2. Emotions affect our thinking by directing our attention
3. Ask yourself insight questions
4. Action step

Verbal & Non-Verbal Communication

Percentage of the information we take in:
- Words: 7%
- Tone of voice: 38%
- Body language: 55%


Kennedy vs. Nixon

Nixon winning among radio listeners, 43% to 20%.

Kennedy winning among TV watchers, 28% to 19%.
What are some ways we can check in on what we are perceiving during a conversation?

"Courage is what it takes to stand up and speak; courage is also what it takes to sit down and listen."

"A politician needs the ability to foretell what is going to happen tomorrow, next week, next month, and next year. And to have the ability afterwards to explain why it didn't happen."

Winston Churchill

"I don't mind being wrong as long as I'm wrong with people who are right."
December 13, 1961

Mike Smith and Dick Rowe: Executives in charge of evaluating new talent for the London office of Decca Records.

Mike Smith traveled to Liverpool to watch a local rock 'n roll band perform.

He decided the band had talent, and invited them to audition on New Year's Day 1962.

The band made the trip to London and spent two hours playing 15 different songs at the Decca Studios.

Then they went home and waited for an answer.

They waited for weeks.

The Answer

“Not to mince words, Mr. Epstein, but we don’t like your boys’ sound. Groups are out.”
Decision Making

Emotions and Decision Making

“Don’t let the noise of other’s opinions drown out your own inner voice. And most important, have the courage to follow your heart and intuition. They somehow already know what you truly want to become. Everything else is secondary.”

~ Steve Jobs

“Sometimes when you innovate, you make mistakes. It is best to admit them quickly, and get on with improving your other innovations.”

~ Steve Jobs
"We simply attempt to be fearful when others are greedy and to be greedy only when others are fearful."

"We believe that according the name ‘investors’ to institutions that trade actively is like calling someone who repeatedly engages in one-night stands a ‘romantic’."

Warren Buffett

"Whenever you see a successful business, someone once made a courageous decision."

~ Peter Drucker

Joseph Mikels & Colleagues at DePaul University

Good safety record

Gets good gas mileage
Doctors save lives, but they can sometimes be insufferable know-it-alls who bully nurses and do not listen to patients—a medical schools have traditionally done little to screen out such flawed applicants or to train them to behave better, but that is changing.

At Virginia Tech Carilion, the nation’s newest medical school, administrators decided against relying solely on grades, test scores and hourlong interviews to determine who will get in. Instead, the school invited candidates to the admissions equivalent of speed-dating: nine brief interviews that forced candidates to show they had the social skills to navigate a health care system in which good communication has become critical.

The new process has enormous consequences not only for the lives of the applicants but, its backers hope, also for the entire health care system. It is called the multiple mini interview, or MMI, and its use is spreading. At least eight medical schools in the United States—including those at Stanford, the University of California, Los Angeles, and the University of Cincinnati—and 13 in Canada are using it.

“We are trying to weed out the students who look great on paper but haven’t developed the people or communication skills we think are important,” said Dr. Stephen Workman, associate dean for admissions and administration at Virginia Tech Carilion.

Dr. Donald Redelmeier, 20 years of research at Stanford University and University of Toronto medical schools.

1. Problem Identification
2. Solution Process
3. Emotion
4. Outcomes
5. Feel and See Success
Decision Making

“The application of emotion to manage change and solve problems.”

- Use positive emotions
- Use negative emotions
- Manage change and emotions to solve problems

Decision Making and Emotion

Warren Buffett
Steven Jobs
Karen Katz, CEO, Neiman Marcus
Harvey Schlossberg, Hostage Negotiator
Philip D. Ivey, poker player
Bruce Wasserstein, Ultimate Dealmaker

Music and Your Mood

Close your eyes and listen.....
"I have a variety of music for my moods. There are occasions when I need to build up my aggression before a game. For that I put on AC/DC's 'Walk All Over You.' And there are other times when I listen to Segovia playing Bach and that puts me into a totally different mood. It depends on the player, how you're feeling that day and what you need to do in a game."

To underscore that message with the Olympic swimmers, Dr. Jim Bauman suggests they put together their own music playlists, with:

- **Slow** music that represents idling or resting
- **Medium to fast** music that offers a eat-per-minute pace similar to their competition stroke-per-minute rate
- **Very fast** music that represents "redlining" or excessive anxiety

"Using these playlists makes it easier for them to remain aware of their psychological and physiological energy levels, or RPMs, as they relate to various stages of getting ready to compete," he says.
"I listen to music all the time. Not when I’m composing fresh copy, but when I’m rewriting or editing, I’ve always got it on and it’s always turned up really loud.

I have certain touchstone songs that I go back to – they drive my wife crazy, my kids, my grandchildren crazy.

I’m the sort of guy who will play Whitney Houston’s “I Will Always Love You” twenty-five times until I discover the song was written by Dolly Parton and then listen to the Dolly Parton version forty times.”

Stephen King, 11/22/63
Emotion and Performance

Emotion [mot]ion

Motivation

Root Latin verb motere “to move”

Which Emotions Motivate?

Anger
Shame
Boredom
Anxiety
Hope
Pride
Excitement
Hopelessness

Motivation and Achievement

“Whereas the average individuals often have not the slightest idea of what they are, of what they want, of what their own opinions are, self-actualizing individuals have superior awareness of their own impulses, desires opinions, and subjective reactions in general.”

Abraham Maslow
Achieving

“The ability to generate the necessary emotions to self-motivate in the pursuit of realistic and meaningful objectives.”

- Self-motivate
- Generate requisite emotions
- Realize the pursuit of realistic and meaningful objectives
Influencing

“The ability to recognize, manage, and evoke emotion within oneself and others to promote change.”

- Appraise a situation
- Interpret emotional tone
- Evoke emotions
- Promote change

Influencing High/Low

<table>
<thead>
<tr>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less skilled at Influencing</td>
<td>Very skilled at Influencing</td>
</tr>
<tr>
<td>- Are rarely assertive or are ineffectively assertive</td>
<td>- Are effectively assertive</td>
</tr>
<tr>
<td>- Prefer one-on-one communication</td>
<td>- Have a confident demeanor</td>
</tr>
<tr>
<td>- Have difficulty managing others</td>
<td>- Are optimistic</td>
</tr>
<tr>
<td>- Tend to be instructive</td>
<td>- Inspire others</td>
</tr>
</tbody>
</table>

Using Emotion to Change People’s Lives

“Our mission statement … to use television to transform people’s lives, to make viewers see themselves differently and to bring happiness and a sense of fulfillment into every home.”

Oprah Winfrey
Influencing

- Oprah Winfrey
- Phil Jackson (Coach, LA Lakers)
- Zig Ziglar
- Bill Clinton
- Donatella Versace

Develop Better Leaders

The Leadership & Organization Development Journal

- Emotional Intelligence of leaders: a profile of top executives
The Study

186 CEO’s from YPO and IA

Completed:
- EQ-I
- Company financial information
- Perception of Business Challenges Questionnaire

The Results

1. CEO’s scored higher in 8 of 15 EQ scales than the general public.

2. Companies were divided into High Profit and Lower Profit

High profit company CEO’s had higher:
- Empathy
- Problem solving
- Reality testing
- Self-regard
The Results

3. We could correctly predict a CEO's profitability category of 87% of the time based upon EQ-i score.

4. Higher EQ CEO's reported being less challenged by:
   - Managing growth
   - Managing people
   - Training employees
   - Employee retention

Six Steps for Improving EI

1. Identify EI skill to improve
2. Set specific, measurable, and realistic goals
3. Identify and address any obstacles
4. Seek out helpful resources (coach, performance evaluation, training program, books)
5. Practice new behaviors (repeat, reinforce, evaluate)
6. Review, reassess, and refine your EI goals
"A leader's intelligence has to have a strong emotional component. He has to have high levels of self-awareness, maturity and self-control. She must be able to withstand the heat, handle setbacks and, when those lucky moments arise, enjoy success with equal parts of joy and humility. No doubt emotional intelligence is more rare than book smarts, but my experience says it is actually more important in the making of a leader. You just can't ignore it."

~ Jack Welch
Former Chairman & CEO, General Electric Co

"Feelings are much like waves, we can't stop them from coming but we can choose which one to surf."

~ Jonatan Mårtensson