



IQ + EQ = SUCCESS



Recognizing the Importance of Your Emotional Intelligence (EI)

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Successful people have many things in common, and one of the traits they share is a high degree of emotional intelligence (EI). So what is emotional intelligence and why is it so important to you? In a nutshell, it represents your ability to comprehend emotions in yourself and others. It is your capacity to recognize feelings and use this knowledge to motivate, inspire and direct. Emotional intelligence has two components:

1. Understanding and managing your own emotions.
2. Understanding and promoting positive relationships with other people.

The concept was first identified in the 1930's as "social intelligence", or the ability to get along with others. Psychologists continued to develop the theory through the decades and in 1995 it attained widespread acceptance with the publication of *Emotional Intelligence: Why It Can Matter More Than IQ* by Daniel Goleman, PhD.

What is the difference between IQ and EI?

Intelligent Quotient (IQ) and Emotional Intelligence (EI) are two separate and distinct aspects of who you are. They are completely independent of each other – you can't predict one simply by knowing the other. It is possible to have high emotional intelligence with a low IQ or conversely to have high intelligent quotient and be clueless from an EI perspective. My wife, Bobbie, often uses the expression "Some of the smartest people do the dumbest things." How true.

Does a high IQ help drive career success and performance? Surprisingly, the intelligent quotient is not correlated to achievement as you may assume. Rather, emotional intelligence is a far more valuable predictor of success. Experts attribute IQ to only about 20% of the credit for life success. IQ is a key attribute of those who are selected into the initial pool of college students, job candidates and similar groups, but differences in IQ are not powerful predictors of success among those who make it past the initial intelligence threshold for their career.

In professions demanding the highest level of IQ – and therefore setting the intellect bar high for participation in the field – IQ has weak predictive power. A study of Harvard grads in professional disciplines found that entry exam results (rough equivalent to IQ) had no correlation or even a negative correlation for subsequent career success. In highly intellectual competencies such as engineering and science, brilliance is not enough to be the best. Those who attain the highest ranks demonstrate the ability to work with, persuade and motivate others, inner-discipline, flexibility, and resilience, not just brains. In other words, they have emotional intelligence.

Success in business requires more than smarts. You must be able to develop long term relationships founded on mutual trust as well as your technical knowhow. Goleman identifies five competencies that comprise EI:

1. Self-awareness: Knowing one's emotions
2. Self-regulation: Managing emotions
3. Motivation: Motivating oneself
4. Empathy: Recognizing emotions in others
5. Social Skills: Handling relationships

Leadership Demands Emotional Intelligence

Many bright people have derailed their careers because they were deficient in emotional intelligence. While they possessed the scholastic intelligence required to be successful, they failed in leadership roles as they lacked the capacity to understand how their behavior and communications styles affected their colleagues and subordinates. EI is a key building block in developing your self-awareness and self-confidence, and it is essential that you have both qualities. It is your ability to recognize how others feel to enhance the level of trust and respect in the workplace.

If you choose not to recognize the importance of EI, it will be hard for you to lead. People who are not in touch with their own emotions and those around them, often make judgment calls that are not in sync with their environment. The most critical mistake of a leader with low EI is the failure to be accessible and fully present. These actions create the perception of being aloof, disconnected and uncaring, a recipe for disaster in a business setting.

It is interesting to note that business leaders are beginning to recognize the importance of emotional intelligence in hiring decisions. MBA programs are adding personality testing and structured, scored in-person interviews to traditional selection tools, measuring such traits as

empathy, motivation and resilience. Notre Dame, Yale, Dartmouth, MIT and other universities are attempting to recognize EI in the admissions process and to measure testing accuracy by comparing entrance scores with how students later fare in classroom and leadership activities.

Let's take a look at the characteristics of the best and worst bosses in the workplace:

Best Boss (High EI)

- Supportive
- Empathetic
- Has my back
- Fair
- Authentic
- Flexible
- Inspiring
- Gives back
- Makes me feel involved

Worst Boss (Low EI)

- Rigid
- Insincere
- Has to be right
- Judgmental
- Does not listen
- Self absorbed
- Does not provide positive feedback

The characteristics seen in the best bosses all require emotional intelligence while those noted on the worst bosses list reflect a decided lack of it. Also those who exhibit "bad boss" behaviors are not in touch with how their actions are impacting others around them.

The Rise and Fall of Bernie Madoff

Bernie Madoff was born on April 29, 1938 in Queens, NY. His parents were Ralph and Sylvia Madoff. Ralph, the child of Polish immigrants, worked for many years as a plumber. His wife, Sylvia, was a housewife and the daughter of Romanian and Australian immigrants. Ralph and Sylvia married in 1932, at the height of the great depression. After struggling financially for many years, in the 1950's they became involved in finance.

After graduating high school in 1956, Madoff headed to the University of Alabama, where he stayed for one year before transferring to Hofstra University. In 1959, he married high school sweetheart Ruth, who was attending Queens College with a focus on finance. He began to study law at Brooklyn High School but later quit to begin his own investment firm. Using the \$5,000 he earned from his summer lifeguarding job and a side gig installing sprinkler systems, Madoff and his wife founded Bernard L. Madoff Investment Securities, LLC. With the help of his father-in-law, a retired CPA, the business attracted investors through word-of-mouth and amassed an impressive client list including stars such as Steven Spielberg, Kevin Bacon and Kyra Sedgewick. Madoff Investment Securities grew famous for its reliable annual returns of 10% or more. And, by the 1980's his firm handled up to 5% of the trading on the New York Stock Exchange.

As the business expanded, Madoff began employing more and more of his family members. His brother, Peter, joined the business in 1970 as the firm's Chief Compliance Officer. Later, Madoff's sons, Andrew and Mark, also worked for the company as traders. Peter's daughter,

Shana, became a rules-compliance lawyer for the trading division of her uncle's firm, and his son, Roger, joined the firm before his death in 2006.

On December 10, 2008, Madoff's life began to unravel. After an investor informed his sons that Madoff planned to give out several millions of dollars in bonuses two months earlier than scheduled, they demanded to know where the money was coming from. Madoff then admitted that a branch of his firm was actually an elaborate ponzi scheme. Madoff's sons reported their father to federal authorities and the next day Madoff was arrested and charged with securities fraud. Madoff admitted to investigators that he had lost \$50 billion of his investors' money, and pled guilty to 11 felony counts – security fraud, investment advisor fraud, mail fraud, wire fraud, three counts of money laundering, false statements, perjury, false filings with the United States Securities and Exchange Commission (SEC) and theft from an employee benefit plan.

Bernie Madoff was sentenced to 150 years in prison on June 29, 2009 – the maximum possible prison sentence for the 71 year old defendant. As an armchair psychologist, I would not be surprised if the money struggles he grew up with pushed Bernie toward get-rich tactics. A more emotionally intelligent person would have absorbed the work ethic and morals of his parents in shaping the business he created. The same goes for his lack of understanding how his sons and his clients would react to his illegal activities. Bernie Madoff. High IQ. Low EI!

Emotional Intelligence can be Improved

Cognitive capacities, as measured by IQ, are largely fixed. We are who we are. But the good news is that life offers us repeated opportunities to sharpen our EI as we learn to be more aware of our moods, master our emotions, and develop better relationships with others. Our sensitivity to EI may even intensify as we age.

In addition to on-the-job success, your EI strengthens personal relationships. By recognizing your emotions and handling them more effectively, you can improve your relationships with family and friends, immeasurably improving the quality of your life and reducing stress.

Emotional intelligence will give you much needed wisdom in your quest for success.

About the Author

Scott Addis, CPCU, CRA, CBWA is the CEO of Beyond Insurance and is recognized as an industry leader having been named a Philadelphia finalist for *Inc. Magazine's* "Entrepreneur of the Year" award as well as one of the "25 Most Innovative Agents in America." Beyond Insurance is a consulting firm that offers leadership training, cultural transformation, and talent and tactical development for enlightened professionals who are looking to take their practice to the next level. Since 2007, the proven and repeatable processes of Beyond Insurance have transformed individuals and organizations as measured by enhanced organic growth, productivity, profitability, and value in the marketplace.