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## **Take Aim at Leadership and Firm Excellence**

### *Hitting the Bull's-Eye with Emotional Intelligence*

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These days, most practice management articles begin with the same sentiment: “It’s a tough world out there. Turbulent. Uncertain. Challenging.” No argument with that, but this article is different: it offers a solution based upon developing a skill set that is already proven to drive outstanding leadership and organizational performance. By developing these skills, you can add as much as 127 percent more value to your firm’s bottom line than leaders whose relevant skills are merely average.

It sounds like magic, but it isn’t. The skills are all related to Emotional Intelligence (EQ). Research has shown that, unlike IQ, which is fixed by our late teens and cannot be increased, EQ can be improved upon throughout one’s life. It is the element that drives individual, team and organizational performance more than any other factor. That is always important to business, but it is even more so as firms face new and different challenges. Think of it as the arrow that lets you hit the bull’s-eye of outstanding leadership and firm excellence.

As a former partner of a regional CPA firm, I have witnessed the impact of EQ first-hand. It makes a difference in how we lead, how we manage our relationships with clients and staff, develop new clients, solve problems, negotiate with others and handle stress.

### **What Is EQ?**

So what is this mysterious factor? EQ is defined as the skills people use to manage their emotions and their interactions with others in ways that maximize the chances of influencing others constructively. Simply stated, it represents how “smart” we are about our emotions. The skills that make up one’s EQ include not only our “people skills,” but also how effectively we solve problems, cope with daily demands and pressures and succeed in the work we pursue. In essence, EQ describes the characteristics that set successful leaders apart.

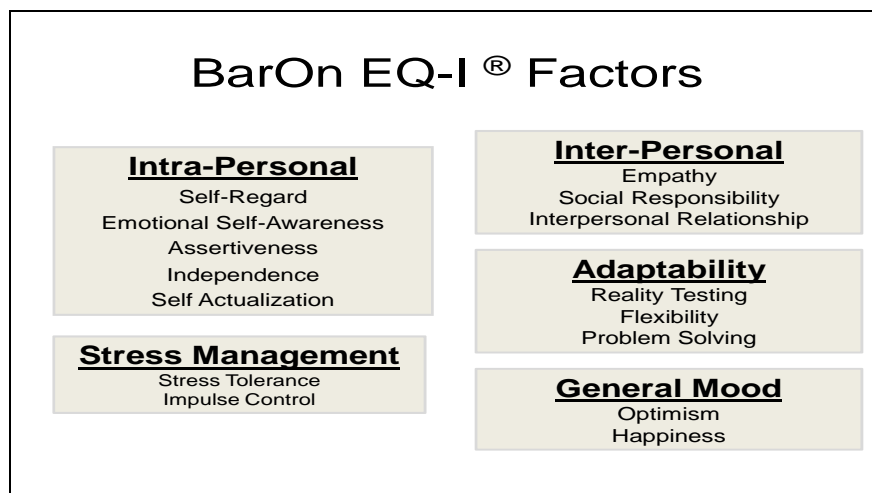
The concept of emotional intelligence is not new. EQ became popular after the resounding success of Daniel Goleman’s insightful books, *Emotional Intelligence, Why It Can Matter More Than IQ* (Bantam Books 1995), *Working with Emotional Intelligence* (Bantam Books 1998) and



*Primal Leadership, Learning to Lead With Emotional Intelligence* (Harvard Business School Press 2002). Goleman's research indicated that the "soft skills" described above, now termed EQ, determine so much of our success. Goleman put the concepts of EQ and his research results in layman's terms and shared a compelling case for EQ development in the business community.

### **Measuring EQ**

On a parallel path, another research psychologist, Dr. Reuven BarOn, asked a similar question: "What is it, beyond IQ, that helps people succeed?" BarOn identified fifteen specific attributes that make up EQ and classified them into five general areas. (See Figure 1.)



*Figure 1: The BarOn Model of Emotional Intelligence*

Based on his research, Dr. BarOn created the BarOn Emotional Quotient Inventory (EQ-i<sup>®</sup>), which measures the extent to which people have developed each of these 15 factors. The EQ-i<sup>®</sup> is a self-report instrument that is the world's most widely used emotional intelligence assessment tool, primarily because of its high degree of predictive certainty.

CPA firms measure cash flow, ROI, and productivity. EQ can now be measured. And because of EQ's proven edge in performance, its application to CPA firms includes identifying top talent in the hiring process, developing high potential leaders for succession, and targeted EQ development and skill building for firm leadership. In fact, people at every level of the organization can develop their EQ skills and see their job performance improve significantly.



In short, the power of this assessment tool is its ability to provide individuals with their own unique inventory of EQ strengths and areas for development. The assessment, which has been supported by third-party research and psychometrically valid results, enables leaders at all levels to shine a laser focus on their own EQ development. There is no broad brush, one-size-fits-all approach.

Now, ask yourself the following questions based on BarOn's model. Although this type of self-assessment can be complicated, it is important to be honest.:

- Intrapersonal skills: *Your ability to know and manage yourself.*
  - Are you self-assured and confident, and can you recognize your strengths and weaknesses?
  - Can you identify your feelings and the “why” behind them?
  - Can you express your thoughts and feelings and stand your ground?
  - Are you self-directed and resourceful or do you rely on others to make decisions?
  - Are you energized and passionate about your work and personal life?
  
- Interpersonal skills: *Your ability to understand and interact with others-your “people skills.”*
  - Are you sensitive to others' feelings? Can you view the world through their eyes?
  - Are you a good team member?
  - Are you comfortable with forging and maintaining relationships that are mutually beneficial?
  
- Adaptability: *Your ability to be flexible and realistic and to solve a range of problems as they arise.*
  - Do you see things as they actually are or the way you wish they might be?
  - Are you open to change and easily adjust to new situations?
  - Are your problem-solving skills based on systematic and well-thought-out approaches?
  
- Stress management: *Your ability to tolerate stress and control impulses.*
  - Do you remain calm and focused or are you anxious and distressed when things change?
  - Do you resist or delay a temptation to act or are you impatient and quick-tempered?



- General mood: *Your ability to enjoy yourself and others and your overall feelings of contentment with life.*
  - Do you maintain a realistically positive attitude, particularly in the face of adversity?
  - Are you content, enjoying others and actively engaged with interests?

The questions above provide a broad overview of the types of questions in the EQ-i® assessment. The assessment includes 133 questions and is scored similar to an IQ test, with the norm set at 100 and each specific EQ factor also quantified. Clients receive their confidential report along with interpretation from a trained professional.

It's not difficult to see how these descriptions apply to the world of a CPA firm. These competencies can play a critical role when dealing with a difficult client, trying to successfully sell a significant new consulting engagement or while communicating with staff. Behaving in an emotionally intelligent manner yields consistently better results than a knee-jerk emotional reaction.

All in all, it's great news that research has identified and scientifically supports the concept that EQ contributes to success. And it's impressive that according to researchers at both Harvard University and University of California, EQ accounts for at least 40% of the variance in the performance among teams. This means that EQ can be a good predictor of future leaders.

But how do you take your EQ to the next level?

### **How do you develop your EQ?**

Unlike one's IQ, which peaks around age 17, our EQ continues to grow with practice, coaching and ongoing experiential learning. New technical skills can be learned by studying a book or attending a seminar, but EQ is the result of a combination of innate skills and learned responses that are ingrained through practice.

The Consortium for Research on Emotional Intelligence in Organizations has compiled a list of best practices for developing emotional intelligence skills. Some of the concepts they suggest in their EQ development framework include:

- Understand the core competencies required for your specific role.
- Assess your strengths and limitations in the various emotional intelligence competencies required for your role.



- Establish specific goals through a development plan with adequate support along the way.
- Practice these new behaviors, which is critical to learning new skills.

But where do you start?

To illustrate the EQ development framework, let's look at how it worked for "Joe," a Senior Manager at a Big 4 firm. Joe was a high potential performer who excelled in technical areas. His role, however, required more than just technical skills; it required interfacing with high level client leadership, including audit committees, and other firm partners. Consequently, some of the competencies Joe was expected to have included building solid client relationships, being able to solve complex problems and working effectively in a team environment, to name a few. (For purposes of our example, we'll only talk about these three skill areas.)

Joe completed the EQ-i® assessment. Not surprisingly, the results identified strengths in problem solving and weaknesses in the interpersonal skills. The results confirmed what his partners reported when they suggested that Joe be tested. What was surprising was Joe's lower than average scores in assertiveness and self-regard. (Self-regard is the EQ skill that encompasses self-confidence.) He was an adequate performer in day-to-day firm activities, but his ability to move up in the firm was hampered by his deficiencies in these areas. His lack of assertiveness and self-regard undermined his ability to gain respect in high level client meetings, which in turn prevented executives from outside the firm from seeing how much he excelled in technical skills.

Through the EQ development process, and with the support of his partners, Joe worked with a coach to establish an action plan targeted on developing the skills that had been creating a barrier to his promotion. The plan included specific exercises and opportunities for practice in real world situations to enable him to learn and integrate new skills. This targeted leadership development process allowed Joe to focus on developing his unique strengths and improving his interpersonal skills.

As a result, Joe significantly improved his performance, as confirmed by his latest performance evaluations. It is likely that Joe will make partner in the near future. The EQ assessment and targeted development created a "win" for both Joe and his firm.

The EQ development framework works in small firms and large firms alike, at the partner level down through the senior level. Understanding the competencies required for the role, assessing



where an individual's EQ skills are strongest and where they need to be enhanced can be applied at positions throughout the firm.

Focusing on EQ offers a realistic solution for identifying and developing the leadership skills that drive firm excellence. Identifying, measuring and developing these sets of skills is a strategic imperative.

***About the Author:** Mary C. Werner, CPA, MOD is the founder of Werner Coaching and Consulting, Inc., a practice that builds on her more than 25 years of accounting, business and financial consulting experience. A leader of leaders, Mary is especially skilled at coaching and consulting with business professionals and CPAs who are interested in accelerating their personal and professional growth for breakthrough results. For more information, visit [www.wernercoaching.com](http://www.wernercoaching.com) or contact Mary directly at [Mary@wernercoaching.com](mailto:Mary@wernercoaching.com)*

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