

# Emotional smarts: *Why does EI help separate the top CEOs in business?*

When Joan Berta, President and CEO of Innovators Alliance and its members had the opportunity to participate in a study on emotional intelligence and successful CEO's, there was some scepticism.

Success has typically been associated with intelligence and we typically measured intelligence by one's IQ score. Studies are repeatedly indicating that a significant percentage of the skills for success in today's environment are emotional skills such as the ability to manage stress, adaptability and flexibility, self-control, strong interpersonal skills, and an understanding of one's talents and limitations, in other words 'emotional intelligence'.

They are a set of skills and capabilities that enables one to cope with life's demands and pressures. Dr. Steven Stein, a member of the Innovators Alliance, President of Multi-Health Systems and co-author of the highly successful book *The EQ Edge: Emotional Intelligence and Your Success*, conducted the study.

The term 'emotional intelligence' was developed by psychologists John Mayer, of the University of New Hampshire, and Peter Salovey, of Yale.

It was later popularized by Daniel Goleman, in 1995 when he wrote the first best selling book on the subject. In a Harvard Business Review article, *Leadership that Gets Results*, Goleman states, "It has been more than a decade since research first linked aspects of emotional intelligence to business results.

The late David McClelland, a noted Harvard University psychologist, found that leaders with strengths in a critical mass of six or more emotional intelligence competencies were far more effective than peers who lacked such strengths."

In the early 1980, psychologist Reuven Bar-On developed the concept "emotional quotient" or EQ. Bar-On also created the first and most widely used validated test – The BarOn Emotional Quotient Inventory. This was the assessment tool that was completed during the study.

## Study Findings

Members of the Innovators Alliance are presidents and CEOs of successful companies that have been growing cumulatively at least 35 per cent over three years and have annual revenue of at least \$2 million. The study included 76 CEOs from a number of different industries primarily manufacturing.

They scored higher at 104 in the overall score compared to average population of 100. No surprises here. What's interesting is of the 15 different factors, the highest scores, well above average were in independence, assertiveness, optimism, self-actualization and self-regard.

Their highest score was in independence. These individuals are able to function autonomously. They are self reliant in planning and though they will consider the view's and knowledge of other people, they will make independent decisions.

Not surprisingly, assertiveness also showed up at the top. This is the ability to express one's thoughts, feelings and beliefs in a non-aggressive manner. One is able to completely disagree and still maintain healthy friendships. As a leader, it is the ability to assert one's expectations and make those tough conversations when needed without compromising relationships.

Optimism is a core capability for any leader. "It's about seeing a vision of success for the future and the ability to engage everyone around it. In good times its not a big deal, but it's especially important in down times, because that's the really critical times," says Stein. "If the CEO is caught up or lost when things get rough, that's what spells trouble. It's the ability to be optimistic in the most difficult of times that differentiates high performers."

Rudy Giuliani, the mayor of New York City when

## Fuel cell firm to arbitration

Concerned about delays in implementing a manufacturing and marketing program, Mississauga based Astris Energi Inc., a developer of alkaline fuel cell technology, has notified CareAutomotive Inc., formerly CareAction Inc. of Montreal, Quebec, that it intends to proceed to arbitration on the three agreements that comprise the joint venture pact signed by the two companies last February.

"We have waited six months for Care's management to secure the funds required to fulfill their financial obligations to Astris," said Jiri Nor, president and CEO of Astris Energi.

"Regretfully, they have been unable to uphold their side of the agreements. If they cannot provide the funding now, we will seek to withdraw from this proposed venture and focus our attention and resources on new and greater opportunities which have recently presented themselves."

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## BEST PRACTICES



terrorists destroyed the World Trade Center towers on Sept. 11, 2001, repeatedly spoke of his belief in the American people and their ability to overcome adversity. He kept people focused on overcoming the challenge, believing and trusting in themselves and

focusing on the future.

The test of a leader who demonstrates optimism is their ability to create and sustain hope for those that felt the situation was hopeless. "You have to know what you believe in if you are going to get through a crisis," he said.

Self-actualization, a term a lot of people would consider as a 'touchy feely' term. Not so. In simple terms, it means two things. First, that you love what you do and you find a sense of purpose in your work. You enjoy it and look forward to it. Secondly, people with high levels of self-actualization are well rounded. They have a wide variety of interests, and activities that they regularly engage in.

And lastly, the results show high levels of self-regard. This means that they have a strong sense and understanding of who they are, and are aware of both their strengths and limitations and trust in their abilities.

## Gender differences?

On the overall scores, there were no differences, however of the 15 factors, the women scored higher in Interpersonal Relationships. Women leaders are better at developing and

maintaining relationships, a competitive advantage when it comes to building business contacts and managing people.

## The Value of Study

Though some participants were initially sceptical, they all found value in the study and in their individual findings. Though there were many questions, it provided them with yet another source of information and an understanding of their strengths and limitations. And as Joan Berta described "the ability to articulate the specifics and indicators of success and the opportunity to develop them should one chose to do so."

## Finding out more about EI

To find out more about emotional intelligence, you can go to Multi-Health System's website [www.mhs.com](http://www.mhs.com). There are numerous articles and books available on emotional intelligence. Steven Stein's and Howard Book's, *The EQ Edge* (Stoddard 2000) is an informative and easy to read book that will build your understanding of the subject and also provides tools and activities to help you develop your own emotional intelligence capabilities.

For more information about Innovators Alliance, go to [www.innovators.org](http://www.innovators.org)

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understands that it really is better to give than to receive.

Nothing is more precious than someone's time. That's why we're so honoured that Mr. Musaddy volunteered to Vice-Chair the Second Annual Diwali Event, a celebration that serves as a fundraiser for the Trillium Health Centre \$30 Million Fundraising Campaign.

As a longstanding member of the Mississauga community, Nirmal has brought his family to the Trillium Health Centre for all of their medical needs. Not just because of our commitment to innovation. Nirmal recognizes how we embrace every opportunity to bring about positive health care for everyone who walks in our doors. It has made such an impression that it has inspired him to commit over \$100,000 to our hospital.

From donors who give from their pockets, to the volunteers that give with their hearts, we thank Nirmal and all the people who believe in us. But he can't do it alone. Help the Trillium Health Centre \$30 Million Fundraising Campaign any way you can. It's your path to a healthy future.



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