**Transcript: The Explainer: Emotional Intelligence**

What distinguishes great leaders, from an average one?

A factor that psychologists call Emotional Intelligence also known as EQ.

When Daniel Goleman analysed executives at nearly 200 companies, he found emotional intelligence was twice as important as both IQ and technical ability in driving performance.

At the most senior levels, it accounted for a whopping 90% of the difference between the best and the rest.

But what exactly is emotional intelligence?

According to Goleman, it’s made up of five components: Self-Awareness, Self-Regulation, Motivation, Empathy and Social Skill. Let’s examine each in turn.

Self-Awareness is understanding one’s own emotions and their effect on others. Self-aware leaders are confident and candid. They can realistically assess and talk about their strengths and weaknesses often with self-deprecating sense of humour.

Self-Regulation is the ability to control or redirect disruptive impulses. Essentially, to think before acting. Effective self-regulators tend to be trustworthy, comfortable with ambiguity, able to suspend judgement and open to change.

Motivation is a passion to work with energy and persistence for reasons beyond money or status. It means being driven goal-oriented, optimistic and committed to the organisation.

Empathy is the ability to understand the emotional needs of others and to treat them accordingly. Empathetic leaders are good at developing and retaining talent, serving clients and customers, and managing cross-cultural sensitivities.

Social skill is proficiency in managing relationships, developing networks, building rapport and finding common ground. It makes leaders more persuasive, and helps them create change.

According to research, we can all increase our level of emotional intelligence, with training that activates the brain’s limbic system, which governs our feelings and impulses. This works best in three steps: incentive, extended practice and feedback. And, because all the EQ components are interconnected, you’ll find that improving in one area can help you do better in the others too.

Consider an executive whose colleagues say that she is low on empathy because she doesn’t listen well; she checks her phone in meetings, sometimes interrupts people and often glosses over or disregards differing points of view. When her boss points this out, the executive is surprised. In her view, she was just being efficient and direct. But the feedback incentivises her to improve.

Privately, she replays certain incidents and thinks about how she could have acted differently. She also watches leaders who are good listeners and tries to mimic their behaviour. With continued guidance from her boss, she gradually becomes more empathetic, boosting both the team’s morale and its productivity.

There’s no question that leaders still need raw intelligence and good technical ability. But that’s a baseline. Great leaders must also have or develop the five components of high emotional intelligence: self-awareness, self-regulation, motivation, empathy and social skill.

End Transcript