

firm takes steps to assess how clients perceive the quality of the services delivered and acts to improve upon those perceptions. The firm engaging in new assurance services areas can create an advantage in these competitive environments by focusing on delivering quality service. □

Robin L. Wakefield, PhD, CPA, is visiting professor in MIS and a PhD candidate in accountancy at the University of Mississippi, Oxford, Miss.

THE BENEFITS OF EMOTIONAL INTELLIGENCE IN ACCOUNTING FIRMS

By David P. Kirch, Mary L. Tucker, and Christine E. Kirch

Twenty percent of a person's success is estimated to be based on what is normally considered intelligence: the ability to learn, understand, and reason [the components of the well-known intelligence quotient (IQ)]. The other 80% is based on the ability to understand ourselves and interact with people: emotional intelligence (EI). "Why CEOs Fail" (*Fortune*, June 21, 1999) highlighted qualities that characterize effective leaders, with EI traits such as integrity, maturity, business acumen, and social skills leading the list. Yet, employers seem to hire accountants based primarily on grade point average, an IQ-related measure, and a relatively short interview.

In "Perceptions in the Recruiting Process" (*The CPA Journal*, January 1999), Susan Moncada and Joseph Sanders presented the results of a study addressing attributes that recruiters look for in students during the first and second job interview. The researchers asked faculty, students, and recruiters for their perceptions concerning what skills were most important for new hires. Many of the reported desirable characteristics (e.g., interpersonal and communication skills) acknowledge the importance of EI training. Yet, competencies in these areas are seldom emphasized in formal education. So, if an organization is unaware of EI issues, certain problems will persist.

EI, Defined

According to social scientists, the intelligence we associate with IQ is only one of several types of intelligence. The term "emotional intelligence" was coined to describe intrapersonal (self-awareness and self-regulation) and interpersonal (motivation, empathy, and social skills) attributes. In *Emotional Intelligence* (Bantam Books, 1995), Daniel Goleman divides emotional intelligence into five components:

- Self-awareness
- Self-regulation
- Motivation
- Empathy
- Social skills

Self-awareness and self-regulation. Being aware of how emotions affect us and how we react includes strategies we use to control our reactions, which is particularly important because all emotions are accompanied by immediate physical actions. These actions are triggered in a part of the brain that automatically responds before the rest of the brain can fully analyze the situation. These immediate responses may result in inappropriate behavior, but evolutionary psychologists think that they contributed to the survival of early humans. A special part of the brain is hardwired to react swiftly and violently when it perceives danger. But our brain cannot distinguish between mortal threats and the perceived dangers of common social situations.

Other emotions, including sadness, fear, joy, love, surprise, disgust, and shame, also invoke immediate behavioral reactions. Even a mild inability to deal with one or more of these can seriously hamper one's career. For social survival, an employee must know the signs of the beginning of an inappropriate response and have a strategy prepared that disengages the automatic, inappropriate responses of the brain. For example, the old rule of counting to 10 when angry can be an effective strategy in many stressful situations in the workplace (and elsewhere).

Motivation. This leadership trait is characterized by a passion or obsession to accomplish or achieve. The goal seems to be achievement itself and not the results of the achievement—money and prestige are perceived as

only symbols of the individual's success. People with this characteristic are noted for their optimistic outlook on life in general and their ability to affect the future, their self-confidence, their ability to view any failure as a temporary setback, and their willingness to accept criticism and to learn from their mistakes.

Empathy. This trait involves making the effort to understand and discern the emotions of the other person by seeing the situation from that person's perspective. Empathy does not mean trying to please everyone—it is simply an awareness of what others feel and an ability to monitor the effect of one's own actions on others.

Social skills. These encompass communication skills, interpersonal expertise, and the ability to help others manage their emotions. In combination, these competencies provide social polish. Training in the other elements of EI helps individuals appropriately and effectively engage these skills.

EI Training

EI training requires a long-term commitment by an employer. Meanwhile, some short-term strategies can result in dramatic changes in behavior. For example, empathy and anger:

Empathy. Training to help employees recognize other people's reactions to them can involve a number of strategies. The employer can ask the employee to watch television with the sound off and to try and gauge what the actors are feeling during the different scenes. Or, the employer can initiate exercises in role-playing, which tend to be effective in changing how people perceive others, or suggest reading a book about nonverbal communication.

People with low empathy tend to consider themselves superior. The manager of an employee who exhibits this trait can sit down with the employee before a client meeting and review the client's successes and how important the client is to the firm. Discussion with such employees prior to their first exposure to a client may sensitize them to how their communication style could affect the client. Stressing the importance of the clients to the firm and emphasizing the importance of appro-

appropriate interpersonal skills when dealing with clients can help any employee be a more successful ambassador for the firm.

Anger. Anger impedes the ability to rationally analyze a situation, overwhelming the rational thinking process. In addition to the previously mentioned "counting to 10," one of the most effective strategies to mitigate an emotional flare-up is to use a prearranged automatic response to anger. Mental images are extremely powerful tools that can be used to positively "hijack" the brain before it can lash out inappropriately. For instance, visualize a peaceful setting—a beach, the woods, a field, or another appealing image. Create the mental image during a time of minimum stress, then practice bringing it up at will. The next step is to visualize this image whenever a situation brings on negative emotions, before inappropriate behavior can occur. Soon, retreating to this quiet place becomes automatic.

Meanwhile, other parts of the brain evaluate the situation without an emotional tidal wave overwhelming the thinking process. The result should be a more measured and considered response to previously dangerous situations.

Preparing for and Implementing Behavioral Change

EI training is a long-term process that must involve everyone. As in any continuous improvement plan, the critical element is a commitment to the process by the leaders of the organization. They must communicate that measures of success in the organization will include adoption of critical EI skills. When individuals see their peers being rewarded for demonstrating successful EI skills, they will be more likely to develop these skills themselves.

The easiest way to move employees through the stages of EI development is to provide an assessment of their current

emotional quotient. A number of good EI assessment instruments are available, most of which include diagnostic tools to identify strengths and weaknesses. Individuals can use these assessments as the basis for a plan for improvement. As a further incentive to the adoption of EI awareness, EI growth can be incorporated into a company's evaluation process. □

David P. Kirch, PhD, CPA, and Mary L. Tucker, PhD, are associate professors, and Christine E. Kirch is an accounting instructor, all in the School of Accountancy, Ohio University, Athens.

The research involved in this article was partially funded by a research grant from the Ohio University College of Business. Additional information on literature and other resources concerning emotional intelligence is available at www.eiconsortium.org.

The Melville Corporate Center

105 Maxess Road

Totus



Availability of New Elegant Offices,
Meeting and Conference Rooms and
Professional Staff

Virtual Identity Programs including -
Prestigious Melville Address,
Personalized Telephone Answering,
Lobby Listing, Mail
Handling, Conference Rooms.
Flexible Plans starting at \$150.00/
month

Partition/ desk space with Internet
Access, Telephone—just bring your
laptop plug it in and you're in
business. All for the affordable price
of \$500/mo- laptop rental available.