

What Makes a Star?

Analyzing data from over 500 managers in Singapore, Dr. Margareta Sjolund identifies the key competencies for business success -- and explains why "IQ" is just not enough for star performance.

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by Margareta Sjolund

"When I attended my first Mensa meeting I expected everyone to be very rich and successful but I was surprised at how diverse the group was. I thought everyone would be company directors and CEOs but actually people came from all walks of life."

This story comes from a Singaporean manager who was a member of Mensa -- the international society for people with a high IQ. Mensa's only membership criteria is being in the top 2% of IQ. A high IQ ensures people have a high degree of cognitive intelligence - but does not necessarily ensure success in life. In fact it turns out that while IQ is a pretty good predictor of school results, IQ alone is not a very good predictor of success in business.

Do you remember the smartest kid in your high school? Where are they now? Some of the most successful entrepreneurs in the world did not even graduate from university -- yet they had something else...

For decades people have been trying to identify and measure what it is that makes people successful. Even the definition of success can take different forms for different people. Yet we all know people at the office who are real stars - and others who clearly don't fit in.

So what do we know about the real "stars"?

IQ gets you hired, Soft skills gets you promoted.

Basic cognitive intelligence is important. People who are smart are more likely to excel in most jobs -- all-else being equal. But "all else" is never equal. University credentials are often a fairly good predictor of cognitive potential. If people have attended a good school and achieved good results then odds are they have an adequate IQ for most jobs. An adequate level of IQ is a prerequisite for job success -- as to what is "adequate" it depends on the job. There are a variety of tests available to test for IQ -- a simple way of ensuring your new recruits can do the job.

Clearly there are more aspects of a person which are important. Motivation, creativity, drive, communication, relationships and energy are vital. For a manager it is important to be a good leader, to get along well with people and to have good communication skills. In any commercial job it is vital to be good at social skills, to be flexible and adaptable to change,

and to cope well with stress. All of these "soft" skills are important and many of them constitute what we mean by Emotional Intelligence - or EQ.

EQ is not about being emotional, soft or nice. It is a broad definition which includes the key soft skills which have been proven to be important to success. EQ includes skills like inner strength, interpersonal skills, adaptability, stress management and well being.

So which is more important IQ or EQ? In fact both are very important. A very intellectual person will struggle as a manager if he cannot get along with others, build relationships and communicate -- or if he falls apart when confronted by big changes or stress. Likewise a high EQ person will have trouble coping with a job if the intellectual demands are beyond their capabilities.

However -- it is easier to assess IQ than EQ. In addition to well developed tests for IQ -- we can look at University credentials, and be pretty comfortable using these as a proxy for IQ. But assessing EQ is more complex - and we mostly leave it to "gut feel". While there are some very professional and accurate tests for Emotional Intelligence -- no test is 100%. Nonetheless test results using the Bar On EQ-i, a leading EQ test have revealed some very interesting results in terms of what makes for a successful manager in Singapore.

Key Characteristics of the stars:

So far over 500 managers from dozens of organizations have gone through EQ assessment in Singapore, and the results are fascinating. EQ & IQ tend to follow "normal" distributions meaning that most people score around the average -- with a smaller proportion at the very top and very bottom of the scale. The top 2% in terms of IQ are geniuses -- and it could be that the top 2% on the EQ scale are the "stars" of soft skills.

Results in Singapore suggest the same distribution of scores to apply here as well. Most people are around the average but there are some outstanding people at the very top. Furthermore individual interviews with participants found that most people tend to feel their own profile is accurate. So what do the results show?

A group of "star" performers was selected from within their organization based on their overall job performance. This group consisted mainly of young outgoing managers who had excelled in their current jobs and had been identified as having strong potential for the future.

This group of stars had EQ scores which were substantially above the local and international averages. This group was selected based on excellent performance at work - and they all had a high EQ in common.

Another group of senior managers was identified based upon their level of seniority. This group included both Expat and Singaporean managers who were at the top of their respective organizations. Again the EQ scores for this group were substantially higher than the Singapore average.

So which skills are most critical?

These stars outperformed the average on all measures of EQ. The areas where the top managers score highest include Flexibility, Assertiveness, Stress tolerance and Interpersonal relationships.

It seems the "stars" were better at handling stress, dealing with change. Were better able to assert themselves and formed stronger interpersonal relationships.

Areas where the average people score low include empathy, happiness and self-actualisation. This suggests that the average manager is lacking in ability to read others, build relationships and to feel fulfilled by their lives.

Many of these factors can be developed and are in fact within our control. As a manager your role it to hire people with the right skills for the job, and to help existing staff to develop their skills.

Work less - achieve more

An interesting result from EQ studies has found that Self-actualisation, Happiness and Optimism are very often critical success factors for top managers. These factors often suggest a balanced life in which people have lives outside of work. This could take the form of family, sports, church, art, music, friends or anything. People who are passionate about life and enjoy things outside of work have a more balanced approach, and are more likely to be energized, creative and sources of drive. This is not to say these people are slackers at work -- they work extremely hard -- but also play hard outside of work.

The contrast is people who work late into the nights, rarely take vacations and do not enjoy life much outside of work. The irony is that these super devoted people often end up getting sidelined despite their hard work. Their lack of balance can make them risk averse, negative, and one-dimensional -- rarely bringing fresh and creative perspectives into the job. People with passion for work can also work long hours -- but will so out of interest and absorption rather than feeling forced to do so.

What's in it for me?

Who would you rather deal with in business? A tired, disgruntled, pessimistic salesman who is difficult to communicate with or an energized, optimistic, trustworthy and friendly person who you believe in?

An organization in which managers are valued for their soft skills and EQ as well as their technical expertise is more likely to succeed. Customer relationships, creativity, innovation, motivation, retention, talent management, etc are all dependant to large degrees on soft skills. The companies that successfully harness these skills and turn them into sources of

competitive advantage will out perform those who ignore them.

All this leads to a few important implications for businesses. First of all traditional competitive advantages are fleeting. The emergence of China as a competitive threat has stirred fear throughout South East Asia as more and more FDI is diverted toward China which now offers not only cheap labour but also highly skilled manufacturing. Furthermore China is emerging as a gigantic market as well - making it even harder for South East Asian economies to compete for business.

The only way to meet this competition is to change. The changes required are very similar to the experiences of European companies as the "Tigers" of Asia started sucking up jobs and FDI 20 years ago. The best response is to find areas of competitive advantage -- and to focus on building and developing these beyond the region.

The study of "star skills" above shows that a lot is known about what makes managers successful. By identifying and developing these skills it is possible for economies like Singapore to create a competitive advantage that is not easily duplicated. Management competence is already very high in Singapore -- especially in a technical sense, yet taking it to the next level means developing "star" characteristics. The stronger your managers are in these areas - the better your odds for survival. Many of the worlds leading companies are finding ways of applying these softer competencies to achieve better performance -- it's not easy to do -- but those who don't will be out performed by companies who do.

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