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Further than Figures

Support for Soft Skills

Today's business world requires more than strong technical skills; to succeed, professionals need to hone their people skills as well.

FROM: SEP-OCT 2003 ISSUE | BY MERGE GUPTA-SUNDERJI

CGAs have the technical and specialized knowledge to meet the many challenges faced by the profession today. And ongoing professional development requirements continue to ensure that the CGA of tomorrow is well-poised to meet future challenges — at least when it comes to hard skills, the technical nuts and bolts of accounting. But, as a CGA, I find myself asking the question, "Are we as well-equipped in another area, that of soft skills?"

Soft skills, also known as people skills, are a diverse range of aptitudes including communication, problem-solving, listening, leadership, and team-building skills, as well as diplomacy, creativity, flexibility, adaptability, and self-awareness.

In his 1995 book, *Emotional Intelligence: Why It Can Matter More Than IQ*, U.S. psychologist Daniel Goleman coined another phrase to describe these competencies; he called these skills "emotional intelligence," or EQ. The most important factor to consider is Goleman's assertion that emotional intelligence consists of learned skills. Unlike IQ, which is a person's intellectual potential that is fixed at birth, patterns of EQ can be learned and developed over time.

A year after the release of Goleman's book, Yale psychologist Robert Sternberg provided a good example of the need for soft skills in his own book, *Successful Intelligence*. Sternberg tells the story of two young men, Penn and Matt, who were both students at Yale University. Penn was an exceptionally intelligent and gifted student, but, as one professor put it, "unbelievably arrogant." Despite his strong capabilities, he put people off, particularly those who had to work with him, because of his "know-it-all" attitude, autocratic style, and belief that his way was the only way. These characteristics caused him to focus only on alternatives that he had developed and, in the process, destroy relationships with co-workers. But he looked spectacular on paper. As a result, when he graduated, Penn was highly sought after by all the top companies in his field, all of which offered him job interviews on the basis of his résumé. But, in the interviews, Penn's arrogance came across loud and clear to the recruiters, and he ended up with only one job offer, and that from a second-tier organization.

Matt, while competent, was not as academically strong. However, his interpersonal skills were very effective. He cultivated and maintained relationships, he was optimistic, he had high self-esteem, he was ready to seize and act upon opportunities, he resolved disagreements, and he adapted to changing situations. In short, everyone who worked with him liked him, and this came through in the job interviews. Matt ended up with seven job offers out of eight interviews, and went on to great success in his field. Penn was let go after

two years in his first job.

People like Penn and Matt exist in every organization. What separates the two is the fact that Matt had, and Penn lacked, emotional intelligence, or people skills.

Needed Competencies

So what makes up emotional intelligence? Goleman divides EQ into two areas — personal competence, the means by which you manage yourself, and social competence, the capabilities that determine how you manage relationships with others.

Personal competence consists of the following:

- reading your emotions and recognizing their impact;
- using "gut sense" to drive decisions;
- knowing your own strengths and limits;
- having high self-worth;
- keeping disruptive emotions under control;
- displaying honesty, integrity and trustworthiness;
- adapting to changing situations and overcoming obstacles;
- driving performance toward inner standards of excellence;
- being ready to seize opportunities; and
- being able to see the positive even in difficult circumstances.

Social competence includes the following strengths:

- sensing other people's emotions;
- understanding their perspectives and taking an active interest in their concerns;
- reading the pulse and politics in organizations and acting ethically to achieve results while still creating goodwill;
- recognizing, meeting and exceeding client or customer needs and expectations;
- guiding and motivating with a compelling vision;
- influencing and persuading toward a common good;
- bolstering others' abilities through feedback and guidance;
- initiating, managing and leading change;
- resolving disagreements;
- cultivating and maintaining relationships; and
- building teams.

This extensive list of characteristics is not usually associated with technical experts. Are these people skills as necessary in the everyday world of the professional accountant? In a word, yes. In fact, these skills will determine the success of CGAs and all professionals in the Canadian workplace.

Making a Case

In 1969, Dr. Laurence Peter of the University of Southern California and the University of British Columbia, coined the term the "Peter Principle" — the theory that employees within an organization will advance to their highest level of competence and then be promoted to and remain at a level at which they are incompetent. A

person who is promoted because of expertise, for example, for her above-average skill with numbers, finds herself at a new level, where many or most of the duties involve managing people, not technical skills. And she may turn out to be a terrible boss. In fact, Goleman's research has demonstrated that a person's EQ matters twice as much as intelligence (IQ) or technical skills in job success, and the higher an individual rises in an organization's hierarchy, the more EQ matters.

In 2002, the Centre for Creative Leadership, an international institute devoted to leadership research and training based in North Carolina, conducted a survey exploring the effectiveness of various management styles during tough times. It found that the greater the stress an organization is facing, the more important the soft side of leadership becomes. The characteristics that distinguished successful leaders from the ineffective ones were honest, proactive communication, good listening skills, demonstrated sensitivity, and the ability to clearly articulate the rationale and necessity for change.

Further illustrating the point are the results from a 2001 RHI Consulting study of more than 1,400 CFOs. These CFOs predicted that by 2006, issues and responsibilities outside of the traditional accounting functions would occupy 37 per cent of a senior accountant's time. Asked which skills, aside from financial expertise, would be most important for financial professionals in the future, CFOs ranked technology expertise first with 44 per cent, followed by strong communication skills at 24 per cent. Business acumen and leadership abilities made up the majority of the 32 per cent balance. Clearly, soft skills play a critical role in paving the accountant's path to executive success.

Lessons to Learn

CGAs have the intelligence necessary to succeed in the 21st century, but do they also have the necessary soft skills? The quick answer is they have the aptitude; whether or not they choose to learn the requisite skills depends entirely upon the individual.

In the upcoming months, this column will feature soft skills and provide guidance on how to develop them. These skills will take you beyond being simply accountants; they will clearly identify you as a professional CGA.

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Merge Gupta-Sunderji, MBA, CGA, is a keynote speaker, seminar facilitator, author, and training consultant who helps people in organizations become better communicators and leaders. Her work takes her to companies and conferences across Canada, the United States and the United Kingdom. Contact her at www.mergespeaks.com or 416 629-4453.

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