



What's Your EQ?: Why Internal Auditors Should Care



ACFE AZ Chapter
September, 2019





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What's All This Then?

- ▶ Why Should I Care?
- ▶ What's an EQ?
- ▶ Does Internal Audit Care?
- ▶ How Do I Do It Better?
- ▶ Does Machiavelli Know About This?
- ▶ We're Outta Here



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Why Should I Care?



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**Expertise is a
baseline
competence**



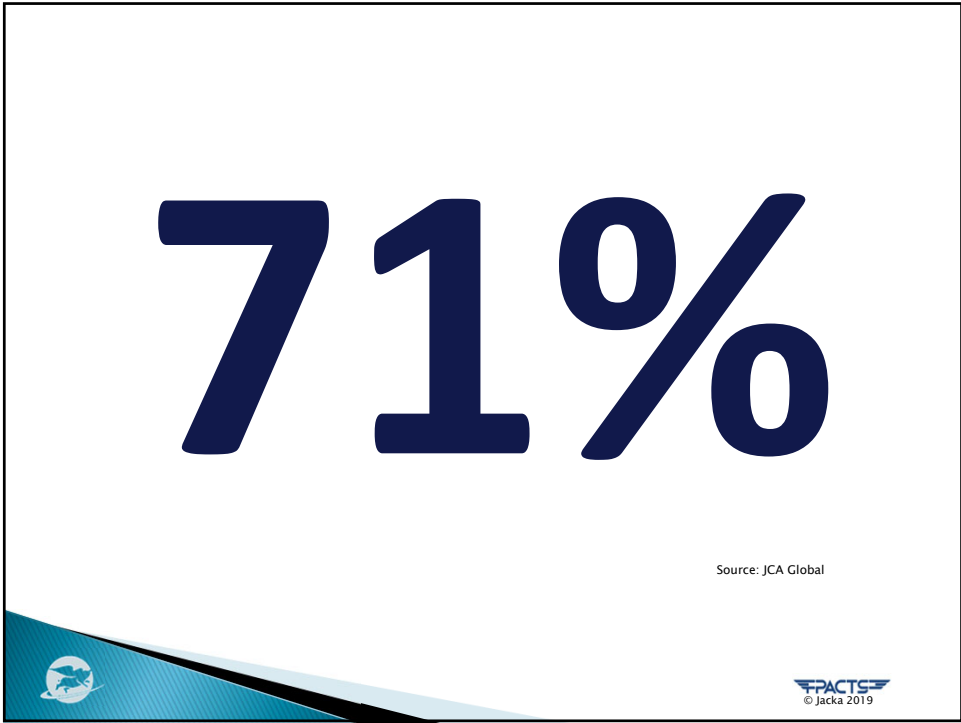
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2 x π

Source: JCA Global

 
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\$29,000

\$1,300

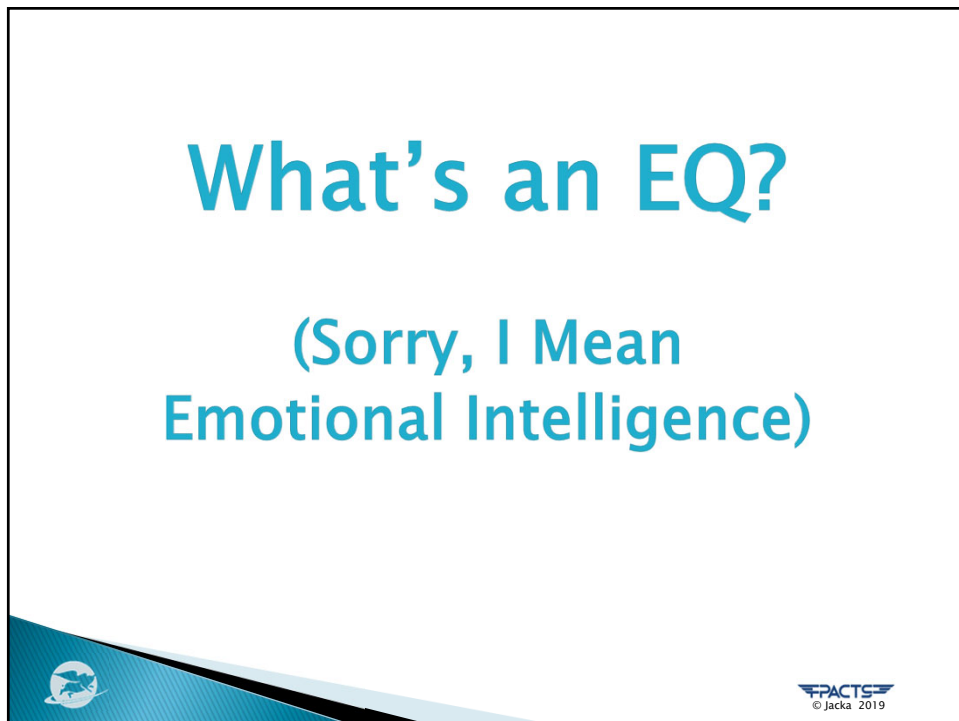
Source: Travis Bradberry

 
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Why EQ is Not IQ

IQ	EQ
<ul style="list-style-type: none"> ▶ Focuses on logic and reason 	<ul style="list-style-type: none"> ▶ Focuses on verbal and linguistic
<ul style="list-style-type: none"> ▶ Does not predict success 	<ul style="list-style-type: none"> ▶ Direct correlation to success
<ul style="list-style-type: none"> ▶ Cannot change 	<ul style="list-style-type: none"> ▶ Can be improved

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A Definition

The ability to identify, understand, and manage your own emotions

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The ability to understand other people, what motivates them, and how to work cooperatively with them



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Intrapersonal Intelligence

- ▶ Being self-aware
- ▶ The capacity to form an accurate, truthful model of oneself
- ▶ To be able to draw upon that knowledge to operate effectively



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Interpersonal Intelligence

- ▶ Detecting and responding to others' moods, motivations, and desires
- ▶ The capacity to discern and respond appropriately to those moods



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The Emotional Competence Framework

- ▶ Personal Competence
 - Self-Awareness
 - Self-Regulation
 - Motivation
- ▶ Social Competence
 - Empathy
 - Social Skills

Adapted from *Working with Emotional Intelligence* - Goleman



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Self-Awareness

Knowing your internal states, preferences, resources, and intuitions

- **Emotional awareness**: Recognizing your emotions and their effects
- **Accurate self-assessment**: Knowing your strengths and limits
- **Self-confidence**: A strong sense of self-worth and capabilities



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Self-Regulation

Using self-awareness to better manage emotions

- **Self-control**: Keeping disruptive emotions and impulses in check
- **Trustworthiness**: Maintaining standards of honesty and integrity
- **Conscientiousness**: Taking responsibility for personal performances
- **Adaptability**: Flexibility in handling change
- **Innovation**: Being comfortable with novel ideas, approaches, and new information



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Motivation

Understanding emotional tendencies that guide or facilitate reaching goals

- **Achievement drive**: Striving to improve or meet a standard of excellence
- **Commitment**: Aligning with the goals of the group or organization
- **Initiative**: Readiness to act on opportunities
- **Optimism**: Persistence in pursuing goals despite obstacles and setbacks



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Empathy

Awareness of others' feelings, needs, and concerns

- **Understanding others**: Sensing other's feelings and perspectives, and taking an active interest in their concerns
- **Developing others**: Sensing other's development needs and bolstering their abilities
- **Service orientation**: Anticipating, recognizing, and meeting customers' needs
- **Leveraging diversity**: Cultivating opportunities through different kinds of people
- **Political awareness**: Reading a group's emotional currents and power relationships



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Social Skills

The art of inducing desirable responses in others

- **Influence**: Using effective tactics for persuasion
- **Communication**: Listening openly and sending convincing messages
- **Conflict management**: Negotiating and resolving disagreements
- **Leadership**: Inspiring and guiding individuals and groups



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Social Skills (Cont)

The art of inducing desirable responses in others

- **Change catalyst**: Initiating or managing change
- **Building bonds**: Nurturing instrumental relationships
- **Collaboration and cooperation**: Working with others toward shared goals
- **Team Capabilities**: Creating group synergy in pursuing collective goals



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EQ in One Quote

“We send emotional signals in every encounter, and those signals affect those we are with.

The more adroit we are socially, the better we control the signals we send;

the reserve of polite society is, after all, simply a means to ensure that no disturbing emotional leakage will unsettle the encounter.

Emotional intelligence speaks to managing this exchange.”



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Does Internal Audit Care?



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What Internal Auditors Need

- ▶ The Customer's Motivation
- ▶ Persuasion
- ▶ Conflict Management
- ▶ Conflict Resolution



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EQ in IA

- ▶ Interviews
- ▶ Meetings
- ▶ Reporting
- ▶ Feedback/Performance Reviews
- ▶ Team Dynamics



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Interviewing

- ▶ Gain the interviewees trust
- ▶ Watch for emotions – yours and theirs
- ▶ Establishing buy-in
- ▶ Watch for change
- ▶ Emotions, not answers
- ▶ Again, what about you?



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Meetings

- ▶ Gain attendees trust
- ▶ Watch for emotions – yours and theirs
- ▶ Establish buy-in
- ▶ Watch for change
- ▶ Don't get swept up in emotions
- ▶ More people involved
- ▶ Is there an emotional catalyst
- ▶ And the auditors



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Reporting

- ▶ Don't count on logic
- ▶ Structure the report around EQ



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Feedback/Performance Reviews

- ▶ Feedback is criticism
- ▶ Test for the emotions
- ▶ Prepare for reactions
- ▶ Motivations
- ▶ The act, not the actor



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Team Dynamics

- ▶ Training the Team
 - Working together
 - Working with others
- ▶ Hiring



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The “No Duh’s!” of Internal Audit EQ

- ▶ Don’t talk in a woody, scowly face and upbraiding voice
- ▶ Talk in terms of your listeners interests
- ▶ Welcome criticism
- ▶ Play yourself down – not up
- ▶ Stop trying to be perfect in everything to others
- ▶ Don’t force them to take your point of view



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How Should I Do It Better?



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Some Quick Steps

- ▶ Own it
- ▶ Self-Assess
- ▶ Take a genuine interest
- ▶ Observe yourself
- ▶ Understand and exert appropriate control over your emotions
- ▶ Determine how to manage those emotions
- ▶ Have someone you trust



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Self-Assessment

- ▶ People do not react as you expect
- ▶ Others are to blame
- ▶ Others' motivations do not make sense
- ▶ No interest in others' personal lives



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Some Very Basic Steps

- ▶ Learn names and basic information
- ▶ Greet people daily
- ▶ Ask about their weekend
- ▶ Ask questions and listen closely
- ▶ Look for good examples to mimic



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We're Outta Here (Almost)



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How to

- ▶ Don't try to make people like you
- ▶ Don't pass judgement
- ▶ Treat everyone with respect
- ▶ Be Trustworthy
- ▶ Don't be a hypocrite
- ▶ Put boundaries on people who make you angry
- ▶ Understand what makes you angry



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How to

- ▶ Respond, don't react
- ▶ Be the first to reach out after an argument
- ▶ Practice empathy
- ▶ Be curious about people
- ▶ Know how to say no
- ▶ Let go of mistakes
- ▶ Give and expect nothing in return
- ▶ Don't hold grudges



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How to

- ▶ Know your strengths and weaknesses
- ▶ Learn from other perspectives
- ▶ Pause
- ▶ Praise others
- ▶ Lifelong learning
- ▶ Learn from criticism
- ▶ Keep your commitments
- ▶ Help others



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Finally,
For everything we've
been discussing,
It's this simple...



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Authentically place
others needs on an
equal basis with
your own.



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Additional Resources

- ▶ *Emotional Intelligence: Why it Can Matter More than IQ* – Daniel Goleman
- ▶ *Working with Emotional Intelligence* – Daniel Goleman
- ▶ *HBR's 10 Must Reads on Emotional Intelligence*
- ▶ *Emotional Intelligence 2.0* – Travis Bradberry and Jean Greaves
- ▶ *105 Tips for Creating an Emotionally Intelligent Organization* – Patrick Merlevede and Gary Vurnum



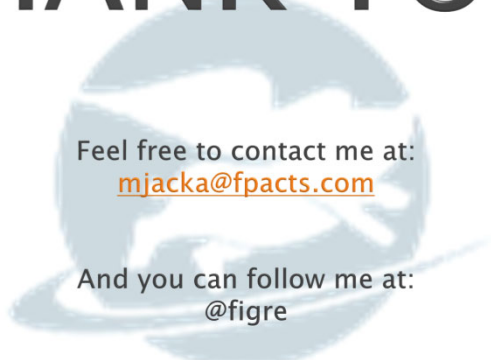


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THANK YOU!

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And you can follow me at:
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