

# High SQ unique to Malaysian SMEs

As local players top the charts in social intelligence in the region, can they capitalise on it and further develop this trait?

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The Malaysian SME community can stand proud knowing that it holds a high social intelligence (SQ) ranking among multinationals, conglomerates and government agencies within the country, according to the Kelly Outsourcing & Consulting Group (KellyOCG) Executive Outlook Survey 2014.

KellyOCG vice president in Asia Pacific Anthony Raja Devadoss noted that the high number of Socially Intelligent Organisations (SIO) is unique to Malaysian SMEs.

He mentioned two probable reasons for this. One reason is the high number of Gen Y professionals in the workforce. He stated that Gen Y employees were proven to be more socially capable compared to the other generations that are currently employed.

and executives from organisations across different sectors, sizes, and locations. The sizes of organisations vary between below 25 employees and above 10,000 employees, bringing the average to 4,300.

Out of the 326 respondents, 89% were from Asia Pacific and 11% from the Americas and Europe, Middle East, and Africa (EMEA). The survey was purely quantitative, and the data was gathered through an online portal launched for this purpose.

For almost a century, the intelligence quotient (IQ) has been touted as a measure of a person's competence. The assessment of IQ includes the evaluation of cognitive abilities across a wide field of knowledge.

Spatial, mathematical, language and memory abilities are combined into a final representation of a person's IQ, sealing the deal and used as predictors of that person's achievements in life.

could mean better growth and improvement of the business climate in the country.

Some might find the areas of measurement to be subjective, and varying between individuals, which raised the question: Can SQ be pinpointed and developed?

Devadoss told *MALAYSIA SME*, "Social Intelligence can be developed. As per the findings from Karl Albrecht, SQ is the ability to get along with people. People learn as they grow up, mature, and gain experience in dealing with others."

He said, "It is quite clear that people who lacks insight and competence in dealing with others can make significant improvements in their SQ status through the understanding on the basic concepts of SQ and assessing themselves against a comprehensive model of interpersonal effectiveness."

One of the key findings of the survey is that the smaller firms are the ones that appreciate the value of SQ competency. Another finding was that employees on the lower rungs of management did not consider their companies to be SIOs.

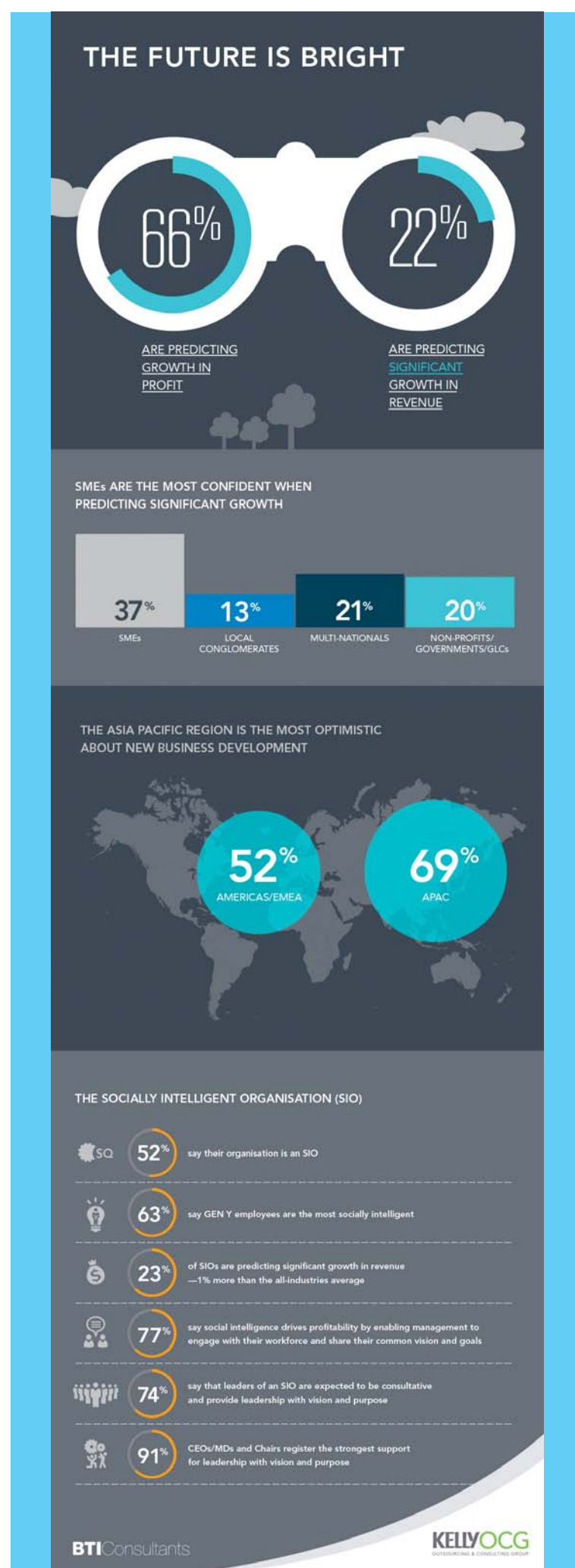
This is reflected in the results, where 38% of lower-level managers considered their organisation SIOs, compared to 58% on the director level, and 50% at the CEO level.

When asked how an organisation could develop SQ, Devadoss said, "SME leaders should assess their current workforce and try [to] understand the characteristics and the needs of each generational workforce in order to create a strategic plan to develop and implement SQ in their organisations respectively."

He added that leaders that want to develop social intelligence in their organisations should engage regular conversations to find out what an employee needs, different angles and different areas of the team and organisation to ensure their views are broadly informed, encourage employees to share their thoughts, and take action on their employees' feedback.

"SME leaders can create a more open, transparent and dialogue-driven workplace to create a culture that helps improve the organisational interaction from top to bottom although the process might take time.

"Indeed, organisations must develop their social intelligence in order to work harmoniously and collectively, in order to develop the employees' relationships and networks that will promote the inter-



Devadoss

He went on saying that according to their survey, Gen Yers are the most socially intelligent among the workforce generations across all senior leadership roles and they are most preferred by the top managements — with ratings of 91% globally and 76% in Malaysia.

He attributed entrepreneurial spirit and agility as the second SQ driver within Malaysian SMEs. These factors contribute to organisations being rated as SIOs.

Organisations that are SIOs are defined as entities that are able to negotiate complex social relationships and environments, have information-gathering technology within the organisation, and have the ability to respond flexibly in interpreting changes in social behaviours.

The survey involved 326 leaders

Next came the emotional quotient (EQ), offering a different perspective into the human psyche. While not as accurately measurable as its intelligence counterpart, EQ filled the gaps that IQ could not.

EQ became a yardstick for the ability of someone to control their emotions. Yet, the quotient lacked the predictive ability of someone's future achievements. It became a form of measurement that supplemented knowledge beyond the intellectual scope.

Devadoss noted that today, IQ, EQ and SQ coexist with one another, giving organisations the ability to observe and work on the various facets of running a company. He stated that SQ is an important trait because the ability to adapt and handle different social situations

ests of the business on a long-term basis," he continued.

Like any other aspects of business, there are always challenges to its implementation. According to the study, the path to creating an SIO is filled with obstacles, the top three being resistance to change, risk-averse culture, and stiff legal requirements.

Still, the benefits of encouraging and developing SQ in organisations stand to impact businesses in more ways than one, which means SMEs should consider taking this study to heart.

"In my opinion, Malaysian SMEs have more inherent potential to drive innovation and growth. I do hope that Malaysian SMEs can drive their profitability by building a strong foundation of goal-setting and robust teamwork through constantly engaging with existing workforce with compelling vision and goals," Devadoss said.

"This is to create a solid common understanding and establish trust within the workforce towards striving for the collective achievements of company, team, individual or community," he concluded. **MSME**