

Published on Business Finance (<http://businessfinancemag.com>)

Taking Stock of Your Courage Quotient

by Blythe McGarvie

Created 09/13/2011 - 16:10



*We are proud to welcome Blythe McGarvie, a former BIC Group CFO and author of Shaking the Globe: Courageous Decision-Making in a Changing World [1], as a new regular contributor to Business Finance. Her column, entitled *Shaking the Globe*, will touch on topics that are connecting the financial world: capital and risk, talent issues, shareholder interests, entrepreneurs, company values and decision making. She will also be featured in Ask Blythe, answering questions from the Business Finance audience on the pressing finance and global leadership trends of the day. Send in your questions HERE [2].*

While we know that IQ – the Intelligence Quotient – deals with the mind, and EQ – the Emotional Quotient – deals with feelings, CQ deals with the spirit. CQ measures an individual's drive and perception of his or her organization. It captures a critical third element that allows us to better understand why some people with high IQ and EQ succeed and others stop trying.

A courageous leader has the additional ability to stand out at the opportune moment. Individuals who have a *sense of curiosity* turn emotions and ideas into action and those who have an *emphatic sense* spur collaboration and the cultivation of relationships around them. Courageous leaders inspire those around them to tackle bold, new opportunities. Two other factors that drive a leader's CQ are *competence* and *perseverance*: the abilities to drive accomplishment through hard work and innovation combined with a desire for continual self-improvement.

Leaders with high CQ scores are effective at standing out by moving their organization toward new opportunities that create long-term value for all stakeholders. They also understand how to work with others within their organization – navigating the political and operating systems – to get things done in the face of obstacles, criticism, or even in the wake of their own mistakes.

A leader's CQ score is driven by his or her ability to both *Fit In* and to *Stand Out* – skills we can measure quantitatively and assess. The *Fit In* (Integrative) measures are financial acuity, integrity, and linkages. Financial acuity, understanding how the company makes money and measures its financial success builds confidence. Integrity, doing the right things in the right way in order to preserve the reputation of the company, creates stakeholder trust. Linkages--working to build and leverage a wide and effective network of stakeholders in order to provide access to new people and new ways of thinking--open the door of opportunity.

The *Stand Out* (Transformative) measures are learning, perspective, and global citizenship. Learning, being continuously open to new disciplines and ideas, fosters creativity and innovation. Perspective, developing and sharing insight that raises the performance bar personally and professionally for an individual and collectively for the organization, is critical to bringing balanced judgment into decision-making. Global citizenship, the ability to think broadly and operate in a world that is increasingly interconnected and interdependent, creates the skill of flexibility and adaptability to uncertain environments. This leads to mental agility.

The Leadership for International Finance conducted a survey to identify characteristics of who would most likely be the courageous prototype. This survey included men and women from three different generations (Baby Boomers, Generation X, and Generation Y). And when we analyzed the results, we found that four factors correlated to a high CQ score.

The first factor we identified was that respondents who showed confidence in managing money, such as having control of a budget, received high CQ scores. Of the 41 percent of the survey's respondents that controlled some portion of their organization's expenses, more than half received CQ scores of seven or higher (on a scale from one to ten). This result suggests that financial acuity is a key factor in both the ability to Fit It, and Stand Out. As a Financial Executive, you already have mastered this skill.

Second, quick thinkers who make fast decisions also had high CQ scores. One hypothesis for this result is that any person who makes more decisions in the same amount of time develops a capability and willingness to take risks. As an individual gains experience and confidence, he or she can then make decisions in a fast-paced environment. Plus, if the decision happens to be the wrong one, that individual, because of their ability to adjust, would then be able to make a correction through a subsequent decision.

The third factor we identified was related to communication style: the 51 percent of respondents who reported that they relied on direct and open communication received higher CQ scores than those that employed careful and closed communication. These results are supported by the fact that open communication allows for the free flow of information, which

leads to informed decisions and new perspectives. Individuals who have access to the right information also have higher confidence in themselves and the validity of their choices.

The fourth factor we identified was that the highest CQ scores belonged to women born between 1975-1985 (late Generation X, early Generation Y). This result may be explained by the fact that women tend to use open communication more than men and tend to take decisive action more quickly – in addition to possessing financial acuity. It may also be due to the tendency of this generation to move back home so they know the safety net provided by their parents emboldens their actions. There may be a maturity factor in this age group where some people have enough experience without having outdated technical skills. A combination of these factors leads to courageous actions. Look for future articles as we discuss how courageous actions lead to you making a positive difference and shaking the globe.

Blythe McGarvie is the founder and CEO of LIF Group, a firm offering a global perspective for clients seeking profitable growth and providing customized seminars for corporate and academic groups. A former CFO of BIC Group, McGarvie serves on several boards, including Accenture, Pepsi Bottling Group, The Travelers Companies and Viacom. Her latest book, Shaking the Globe: Courageous Decision-Making in a Changing World (published by John Wiley & Sons) is available [here](#) [3].

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[1] <http://www.amazon.com/Shaking-Globe-Courageous-Decision-Making-Changing/dp/0470411570>

[2] [mailto:peter.alpern@penton.com?subject=Ask Blythe Question](mailto:peter.alpern@penton.com?subject=Ask+Blythe+Question)

[3] <http://www.amazon.com/Shaking-Globe-Courageous-Decision-Making-Changing/dp/0470411570>