

# Managing Matters

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Managing Matters is a new monthly column written by Andy Kanefield and Mark Powers of St. Louis-based Dialect. It will explore how St. Louis leaders manage their businesses, and the people and ideas that influence their leadership.

BY ANDY KANEFIELD AND MARK POWERS

**R**on Kruszewski is high on EQ and learned early in his career that intellect alone does not carry the day.

Kruszewski, chairman and chief executive of Stifel, Nicolaus & Co., admits to not being a good team player in his early years. He felt he could “get to the right answer intellectually, and I would just run people over.” After a project, he would look back and “just see carnage.” He credits one of his mentors, Fred Kasten at R. W. Baird & Co., with helping him see the importance of taking a more team-oriented approach to getting the same results.

His high view of the soft side of business has been shaped by reading articles about EQ (Emotional Intelligence), a concept popularized by Daniel Goleman. While Kruszewski does not consider himself a disciple of Goleman per se, he notes that Goleman’s findings are exactly on target with his experiences. “If you don’t have social intelligence, you have a tough time competing. You have to understand what drives people. We look for people with EQ.”

In a business dominated by talk of numbers, Kruszewski credits the success of Stifel to associates with high EQ. “This is a relationship business,” Kruszewski says. “If people don’t get that, they won’t be successful here.”

One of the first things Kruszewski did was take the traditional organization chart and flip it upside down. Stifel fosters a culture where “climbing” means getting closer to the client. “People are rewarded here when they focus on the client.”

Over the years, Kruszewski has learned a lot about what “motivates people at their core. Our approach works because we manage people like one cooks fish — lightly.” Stifel

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“Our approach works because we manage people like one cooks fish — lightly.”

— Ron Kruszewski



BRIAN CASSIDY

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has only as much process and control as is necessary to function effectively. Kruszewski leaves the rest to quality people who are motivated by a sense of empowerment, accomplishment and recognition.

He sees his primary role as CEO to be the “keeper of the philosophy.” In Stifel’s case, that philosophy is freedom — freedom to do what is in the best interest of the client. “Most companies try to do the opposite — corporate decides what is best and they force it down through the ranks.”

During his career, Kruszewski has observed that processes and controls need to be limited in order for employees to have the freedom they need to create solutions for clients. Unfortunately, as organizations become larger, more management

layers are typically piled on, having a negative impact on financial results.

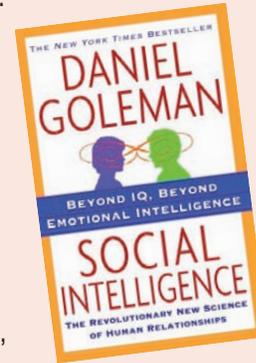
This freedom principle applies to the annual business plan as well. “The board had a tough time when I delivered my first annual business plan: “As an organization, we want to be in a position to take advantage of opportunities. Period.”

“They just thought I didn’t want to do one. But they get it now. We would have never been able to buy Legg Mason or Ryan Beck” if we had been constrained by a detailed business plan.

*Andy Kanefield is president of Dialect, which helps leaders promote sync — that elusive state when departments and people are working in concert toward big picture goals. He can be reached at (314)-863-4400 or andy@dialect.com.*

## The man behind EQ

Daniel Goleman is an internationally known psychologist who, while working as a science journalist, reported on the brain and behavioral sciences for The New York Times. His 1995 book, “Emotional Intelligence,” popularized the concept of EQ, which he initially encountered in the work of two psychologists: John Mayer, now at the University of New Hampshire, and Yale’s Peter Salovey, now the dean of Yale College. The book and subsequent research explores the relationship between success, emotions and the brain.



His latest book, “Social Intelligence: The New Science of Human Relationships,” discusses the interpersonal aspect of emotional intel-

ligence through the lens of recent findings from neuroscience. Goleman explains that our brains’ design is social in nature. Our relationships with other people form neural bridges that not only affect our experiences with others but our biology as well.

When I met with Daniel Goleman earlier this year, we discussed the different ways in which people demonstrate their EQ. While it is obvious to most that some people are better at EQ than others, there is another layer that may be overlooked. That is, people differ in the ways they demonstrate their EQ. Some people are better at demonstrating their EQ in one-on-one interactions, while others are better at interacting with groups.

— Andy Kanefield

### The Five Dimensions of Emotional Intelligence

SOURCE: WORKING WITH EMOTIONAL INTELLIGENCE, BY DANIEL GOLEMAN.

#### Self awareness

Knowing one’s internal states, preferences, and intuitions

#### Self regulation

Managing one’s internal states, impulses and resources

#### Motivation

Emotional tendencies that guide or facilitate reaching goals

#### Empathy

Awareness of others’ feelings, needs and concerns

#### Social skills

Adeptness at inducing desirable responses in others

**Personal**

**Social**

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