



# In Addition to EQ, Leaders Should Work To Cultivate Their Silent Intelligence

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***Betty Liu, a veteran leader who serves on the boards of L'Occitane Group and Captivision, shares timely insights and discusses how to develop silent intelligence for leaders in this The New Director's Chair interview with The ExCo Group's Adam Bryant and David Reimer.***

Reimer: How have you seen the conversations in boardrooms evolve in recent years?

Liu: Not surprisingly, more boards are talking more about digital transformation and AI. For companies that are technologically advanced already, it's less about digital transformation and more about applying AI to their businesses for the short- and long-term.

But with legacy companies, they often don't know what they don't know. They are stuck in their ways but also know that they need to get on the technology train. This is where boards come in—because the CEO and the management team are often focused on the day-to-day, it's up to the board to help them look longer-term.

There are also deeper conversations in the boardroom about labor and talent acquisition. We're seeing more CHROs becoming board directors, which has led to a greater focus on employee engagement and retention and corporate talent strategies.

Bryant: What are some of the patterns you've seen across sectors in terms of the dynamics between

CEOs and boards?

Liu: It's important for the CEO to communicate regularly with the board as a whole and with directors individually. It would surprise you to learn how often CEOs don't do this. Instead, they approach the board sometimes in an adversarial way or keep them at a distance. The dynamic that works best is when the CEO has a direct relationship with each director and is reaching out to them on a regular basis. It builds transparency, and that culture of trust is important.

Reimer: We're seeing a lot of shifting expectations among employees. How do you see that tug-of-war with employers playing out?

Liu: We're dealing with as many as five generations in the workplace now. That creates a leadership challenge, as people do have different expectations of their companies and what they want from their jobs. The answer is that leaders have to communicate transparently and communicate often because what you don't want is the dead air to be unanswered.

It is a skill that leaders have to cultivate. We often talk about IQ and EQ and how important that is for leaders. I also think that leaders have to cultivate something I call SQ, which is silent intelligence. That means understanding who you are, being self-aware, knowing how you impact the room and your organization, and knowing what your strengths and weaknesses are.

That can help you navigate as a leader much more effectively. You need a healthy sense of ego to be a CEO, but having that self-awareness and humility is going to be more important as you're dealing with a changing workforce.

Bryant: What do you see as the hardest part of leadership right now?

Liu: It's the age-old tug-of-war between short-term results and long-term strategy. CEOs also often talk about the challenge of balancing being compassionate with their employees while also keeping them accountable to deliver results. But as a leader, you have to find a way to integrate those tensions and do both at the same time. How do I be compassionate and require results? How do I lead for both short- and long-term?

Reimer: Was this the career path that you imagined for yourself early on?

Liu: Not at all. My path was going to be a foreign correspondent for the New York Times. That was my dream graduating from college. But the through-line of my life and career is this openness and curiosity about the world and an insatiable appetite to learn. That made being a journalist a perfect occupation for me, but it also helped me when I made the transition to entrepreneurship and then into the C-suite. Those shifts require you to take a step back, ask lots of questions, be open and curious, and be willing to change.

Bryant: What were important early influences for you?

Liu: I was born in Hong Kong. My parents chose to come here to the United States to have a better life for themselves and for me and my sister. That immigrant upbringing led me to constantly question my place in this country and question my place in our family. It always raised questions of belonging.

I've also thought a lot about how much risk my dad took to bring our family over with \$20 in his pocket to change the trajectory of our lives and build a new life. That taught me that nothing will be gained

without taking risks. It's about being comfortable in discomfort. There is a discomfort in moving to a new country and then adapting and pivoting and figuring it out. I really absorbed that. Discomfort doesn't scare me.

Reimer: What advice would you give to first-time directors?

Liu: I got some advice early on that in your first year on a board, your main role is to listen and learn about the company and the other directors. But I took that too much to heart and said to myself, listen don't speak. So I would modify that advice to say, don't be afraid to speak up, as well, because your voice is important. People want to hear from you. Looking back, I never regretted speaking up; I only regretted not speaking.

Bryant: What are the X-factors that separate the best leaders these days?

Liu: To me, the ones who really stand out can speak most genuinely from their authentic selves and their personal values. What comes to mind are people like Jamie Dimon or Warren Buffett—people who have the same tone and genuineness, whether they are talking to their employees or their customers or their peers or their shareholders or their board. We also tend to underrate the ability to speak plainly and simply. There's a real skill to that, and it's really difficult sometimes to do that.

Reimer: When you are interviewing candidates for a CEO role, what questions do you typically ask?

Liu: I like to ask them for their top three priorities if they got the job. They can give it to me in a 100-day plan if that makes it easier, but what are the top three priorities? Then I would ask them to share a crucible moment in their life and what they learned from that. It goes beyond telling me about a mistake and what they learned from it. I want to hear about a transformative moment and how it changed them. What did they learn, and how did it impact how they lead?